

## Union Calendar No.

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION**H. R. 4761****[Report No. 109-]**

To provide for exploration, development, and production activities for mineral resources on the outer Continental Shelf, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 15, 2006

Mr. JINDAL (for himself, Mr. BAKER, Mr. BOUSTANY, and Mrs. DRAKE) introduced the following bill; which was referred to the Committee on Resources

JUNE --, 2006

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on February 15, 2006]

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**A BILL**

To provide for exploration, development, and production activities for mineral resources on the outer Continental Shelf, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*



1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “Deep Ocean Energy Re-*  
3 *sources Act of 2006”.*

4 **SEC. 2. POLICY.**

5 *It is the policy of the United States that—*

6 *(1) the United States is blessed with abundant*  
7 *energy resources on the outer Continental Shelf and*  
8 *has developed a comprehensive framework of environ-*  
9 *mental laws and regulations and fostered the develop-*  
10 *ment of state-of-the-art technology that allows for the*  
11 *responsible development of these resources for the ben-*  
12 *efit of its citizenry;*

13 *(2) adjacent States are required by the cir-*  
14 *cumstances to commit significant resources in support*  
15 *of exploration, development, and production activities*  
16 *for mineral resources on the outer Continental Shelf,*  
17 *and it is fair and proper for a portion of the receipts*  
18 *from such activities to be shared with Adjacent States*  
19 *and their local coastal governments;*

20 *(3) the existing laws governing the leasing and*  
21 *production of the mineral resources of the outer Con-*  
22 *tinental Shelf have reduced the production of mineral*  
23 *resources, have preempted Adjacent States from being*  
24 *sufficiently involved in the decisions regarding the al-*  
25 *lowance of mineral resource development, and have*  
26 *been harmful to the national interest;*

1           (4) *the national interest is served by granting*  
2           *the Adjacent States more options related to whether or*  
3           *not mineral leasing should occur in the outer Conti-*  
4           *mental Shelf within their Adjacent Zones;*

5           (5) *it is not reasonably foreseeable that explo-*  
6           *ration of a leased tract located more than 25 miles*  
7           *seaward of the coastline, development and production*  
8           *of a natural gas discovery located more than 25 miles*  
9           *seaward of the coastline, or development and produc-*  
10          *tion of an oil discovery located more than 50 miles*  
11          *seaward of the coastline will adversely affect resources*  
12          *near the coastline;*

13          (6) *transportation of oil from a leased tract*  
14          *might reasonably be foreseen, under limited cir-*  
15          *cumstances, to have the potential to adversely affect*  
16          *resources near the coastline if the oil is within 50*  
17          *miles of the coastline, but such potential to adversely*  
18          *affect such resources is likely no greater, and probably*  
19          *less, than the potential impacts from tanker transpor-*  
20          *tation because tanker spills usually involve large re-*  
21          *leases of oil over a brief period of time; and*

22          (7) *among other bodies of inland waters, the*  
23          *Great Lakes, Long Island Sound, Delaware Bay,*  
24          *Chesapeake Bay, Albemarle Sound, San Francisco*  
25          *Bay, and Puget Sound are not part of the outer Con-*

1        *tinental Shelf, and are not subject to leasing by the*  
2        *Federal Government for the exploration, development,*  
3        *and production of any mineral resources that might*  
4        *lie beneath them.*

5    **SEC. 3. DEFINITIONS UNDER THE OUTER CONTINENTAL**  
6                    **SHELF LANDS ACT.**

7        *Section 2 of the Outer Continental Shelf Lands Act*  
8    *(43 U.S.C. 1331) is amended—*

9                *(1) by amending paragraph (f) to read as fol-*  
10        *lows:*

11        *“(f) The term ‘affected State’ means the Adjacent*  
12        *State.”;*

13                *(2) by striking the semicolon at the end of each*  
14        *of paragraphs (a) through (o) and inserting a period;*

15                *(3) by striking “; and” at the end of paragraph*  
16        *(p) and inserting a period;*

17                *(4) by adding at the end the following:*

18        *“(r) The term ‘Adjacent State’ means, with respect to*  
19        *any program, plan, lease sale, leased tract or other activity,*  
20        *proposed, conducted, or approved pursuant to the provi-*  
21        *sions of this Act, any State the laws of which are declared,*  
22        *pursuant to section 4(a)(2), to be the law of the United*  
23        *States for the portion of the outer Continental Shelf on*  
24        *which such program, plan, lease sale, leased tract or activ-*  
25        *ity appertains or is, or is proposed to be, conducted. For*

1 *purposes of this paragraph, the term ‘State’ includes Puerto*  
2 *Rico and the other Territories of the United States.*

3 “(s) *The term ‘Adjacent Zone’ means, with respect to*  
4 *any program, plan, lease sale, leased tract, or other activity,*  
5 *proposed, conducted, or approved pursuant to the provi-*  
6 *sions of this Act, the portion of the outer Continental Shelf*  
7 *for which the laws of a particular Adjacent State are de-*  
8 *clared, pursuant to section 4(a)(2), to be the law of the*  
9 *United States.*

10 “(t) *The term ‘miles’ means statute miles.*

11 “(u) *The term ‘coastline’ has the same meaning as the*  
12 *term ‘coast line’ as defined in section 2(c) of the Submerged*  
13 *Lands Act (43 U.S.C. 1301(c)).*

14 “(v) *The term ‘Neighboring State’ means a coastal*  
15 *State having a common boundary at the coastline with the*  
16 *Adjacent State.”; and*

17 (5) *in paragraph (a), by inserting after “con-*  
18 *trol” the following: “or lying within the United States*  
19 *exclusive economic zone adjacent to the Territories of*  
20 *the United States”.*

21 **SEC. 4. DETERMINATION OF ADJACENT ZONES AND PLAN-**  
22 **NING AREAS.**

23 *Section 4(a)(2)(A) of the Outer Continental Shelf*  
24 *Lands Act (43 U.S.C. 1333(a)(2)(A)) is amended in the*  
25 *first sentence by striking “, and the President” and all that*



1 *follows through the end of the sentence and inserting the*  
2 *following: “. The lines extending seaward and defining each*  
3 *State’s Adjacent Zone, and each OCS Planning Area, are*  
4 *as indicated on the maps for each outer Continental Shelf*  
5 *region entitled ‘Alaska OCS Region State Adjacent Zone*  
6 *and OCS Planning Areas’, ‘Pacific OCS Region State Ad-*  
7 *acent Zones and OCS Planning Areas’, ‘Gulf of Mexico*  
8 *OCS Region State Adjacent Zones and OCS Planning*  
9 *Areas’, and ‘Atlantic OCS Region State Adjacent Zones*  
10 *and OCS Planning Areas’, all of which are dated September*  
11 *2005 and on file in the Office of the Director, Minerals*  
12 *Management Service.”.*

13 **SEC. 5. ADMINISTRATION OF LEASING.**

14 *Section 5 of the Outer Continental Shelf Lands Act*  
15 *(43 U.S.C. 1334) is amended by adding at the end the fol-*  
16 *lowing:*

17 *“(k) VOLUNTARY PARTIAL RELINQUISHMENT OF A*  
18 *LEASE.—Any lessee of a producing lease may relinquish*  
19 *to the Secretary any portion of a lease that the lessee has*  
20 *no interest in producing and that the Secretary finds is*  
21 *geologically prospective. In return for any such relinquis-*  
22 *ment, the Secretary shall provide to the lessee a royalty in-*  
23 *centive for the portion of the lease retained by the lessee,*  
24 *in accordance with regulations promulgated by the Sec-*  
25 *retary to carry out this subsection. The Secretary shall pub-*

1 *lish final regulations implementing this subsection within*  
2 *365 days after the date of the enactment of the Deep Ocean*  
3 *Energy Resources Act of 2006.*

4 “(l) *NATURAL GAS LEASE REGULATIONS.*—Not later  
5 *than July 1, 2007, the Secretary shall publish a final regu-*  
6 *lation that shall—*

7 “(1) *establish procedures for entering into nat-*  
8 *ural gas leases;*

9 “(2) *ensure that natural gas leases are only*  
10 *available for tracts on the outer Continental Shelf*  
11 *that are wholly within 100 miles of the coastline*  
12 *within an area withdrawn from disposition by leas-*  
13 *ing on the day after the date of enactment of the Deep*  
14 *Ocean Energy Resources Act of 2006;*

15 “(3) *provide that natural gas leases shall contain*  
16 *the same rights and obligations established for oil and*  
17 *gas leases, except as otherwise provided in the Deep*  
18 *Ocean Energy Resources Act of 2006;*

19 “(4) *provide that, in reviewing the adequacy of*  
20 *bids for natural gas leases, the value of any crude oil*  
21 *estimated to be contained within any tract shall be*  
22 *excluded;*

23 “(5) *provide that any crude oil produced from a*  
24 *well and reinjected into the leased tract shall not be*  
25 *subject to payment of royalty, and that the Secretary*



1       *shall consider, in setting the royalty rates for a nat-*  
2       *ural gas lease, the additional cost to the lessee of not*  
3       *producing any crude oil; and*

4               *“(6) provide that any Federal law that applies*  
5       *to an oil and gas lease on the outer Continental Shelf*  
6       *shall apply to a natural gas lease unless otherwise*  
7       *clearly inapplicable.”.*

8   **SEC. 6. GRANT OF LEASES BY SECRETARY.**

9       *Section 8 of the Outer Continental Shelf Lands Act*  
10   *(43 U.S.C. 1337) is amended—*

11           *(1) in subsection (a)(1) by inserting after the*  
12       *first sentence the following: “Further, the Secretary*  
13       *may grant natural gas leases in a manner similar to*  
14       *the granting of oil and gas leases and under the var-*  
15       *ious bidding systems available for oil and gas*  
16       *leases.”;*

17           *(2) by adding at the end of subsection (b) the fol-*  
18       *lowing:*

19   *“The Secretary may issue more than one lease for a given*  
20   *tract if each lease applies to a separate and distinct range*  
21   *of vertical depths, horizontal surface area, or a combination*  
22   *of the two. The Secretary may issue regulations that the*  
23   *Secretary determines are necessary to manage such leases*  
24   *consistent with the purposes of this Act.”;*



1           (3) *by amending subsection (p)(2)(B) to read as*  
2     *follows:*

3           “(B) *The Secretary shall provide for the pay-*  
4     *ment to coastal states, and their local coastal govern-*  
5     *ments, of 75 percent of Federal receipts from projects*  
6     *authorized under this section located partially or*  
7     *completely within the area extending seaward of State*  
8     *submerged lands out to 4 marine leagues from the*  
9     *coastline, and the payment to coastal states of 50 per-*  
10    *cent of the receipts from projects completely located in*  
11    *the area more than 4 marine leagues from the coast-*  
12    *line. Payments shall be based on a formula estab-*  
13    *lished by the Secretary by rulemaking no later than*  
14    *180 days after the date of the enactment of the Deep*  
15    *Ocean Energy Resources Act of 2006 that provides for*  
16    *equitable distribution, based on proximity to the*  
17    *project, among coastal states that have coastline that*  
18    *is located within 200 miles of the geographic center*  
19    *of the project.”.*

20           (4) *by adding at the end the following:*

21           “(q) *NATURAL GAS LEASES.—*

22           “(1) *RIGHT TO PRODUCE NATURAL GAS.—A les-*  
23    *see of a natural gas lease shall have the right to*  
24    *produce the natural gas from a field on a natural gas*  
25    *leased tract if the Secretary estimates that the discov-*



1        *ered field has at least 40 percent of the economically*  
2        *recoverable Btu content of the field contained within*  
3        *natural gas and such natural gas is economical to*  
4        *produce.*

5                *“(2) CRUDE OIL.—A lessee of a natural gas lease*  
6        *may not produce crude oil from the lease.*

7                *“(3) ESTIMATES OF BTU CONTENT.—The Sec-*  
8        *retary shall make estimates of the natural gas Btu*  
9        *content of discovered fields on a natural gas lease*  
10       *only after the completion of at least one exploration*  
11       *well, the data from which has been tied to the results*  
12       *of a three-dimensional seismic survey of the field. The*  
13       *Secretary may not require the lessee to further delin-*  
14       *eate any discovered field prior to making such esti-*  
15       *mates.*

16                *“(4) DEFINITION OF NATURAL GAS.—For pur-*  
17       *poses of a natural gas lease, natural gas means nat-*  
18       *ural gas and all substances produced in association*  
19       *with gas, including, but not limited to, hydrocarbon*  
20       *liquids (other than crude oil) that are obtained by the*  
21       *condensation of hydrocarbon vapors and separate out*  
22       *in liquid form from the produced gas stream.*

23                *“(r) REMOVAL OF RESTRICTIONS ON JOINT BIDDING*  
24       *IN CERTAIN AREAS OF THE OUTER CONTINENTAL*  
25       *SHELF.—Restrictions on joint bidders shall no longer apply*

1 *to tracts located in the Alaska OCS Region. Such restric-*  
2 *tions shall not apply to tracts in other OCS regions deter-*  
3 *mined to be ‘frontier tracts’ or otherwise ‘high cost tracts’*  
4 *under final regulations that shall be published by the Sec-*  
5 *retary by not later than 365 days after the date of the enact-*  
6 *ment of the Deep Ocean Energy Resources Act of 2006.*

7       “(s) *ROYALTY SUSPENSION PROVISIONS.—The Sec-*  
8 *retary shall agree to a request by any lessee to amend any*  
9 *lease issued for Central and Western Gulf of Mexico tracts*  
10 *during the period of December 1, 1995, through December*  
11 *31, 2000, to incorporate price thresholds applicable to roy-*  
12 *alty suspension provisions, or amend existing price thresh-*  
13 *olds, in the amount of \$40.50 per barrel (2006 dollars) for*  
14 *oil and for natural gas of \$6.75 per million Btu (2006 dol-*  
15 *lars). Any amended lease shall impose the new or revised*  
16 *price thresholds effective October 1, 2005. Existing lease*  
17 *provisions shall prevail through September 30, 2005. After*  
18 *the date of the enactment of the Deep Ocean Energy Re-*  
19 *sources Act of 2006, price thresholds shall apply to any roy-*  
20 *alty suspension volumes granted by the Secretary. Unless*  
21 *otherwise set by Secretary by regulation or for a particular*  
22 *lease sale, the price thresholds shall be \$40.50 for oil (2006*  
23 *dollars) and \$6.75 for natural gas (2006 dollars).*

24       “(t) *ROYALTY RATE FOR OIL AND GAS OR NATURAL*  
25 *GAS LEASES ON THE OUTER CONTINENTAL SHELF.—After*

1 *the date of the enactment of the Deep Ocean Energy Re-*  
2 *sources Act of 2006, the base royalty rate for new oil and*  
3 *gas or natural gas leases on the outer Continental Shelf*  
4 *shall be the same for all leased tracts.*

5 “(u) CONSERVATION OF RESOURCES FEES.—

6 “(1) Not later than one year after the date of the  
7 enactment of the Deep Ocean Energy Resources Act of  
8 2006, the Secretary by regulation shall establish a  
9 conservation of resources fee for producing leases that  
10 will apply to new and existing leases which shall be  
11 set at \$9 per barrel for oil and \$1.25 per million Btu  
12 for gas. This fee shall only apply to leases in produc-  
13 tion located in more than 200 meters of water for  
14 which royalties are not being paid when prices exceed  
15 \$40.50 per barrel for oil and \$6.75 per million Btu  
16 for natural gas in 2006, dollars. This fee shall apply  
17 to production from and after October 1, 2005, and  
18 shall be treated as offsetting receipts.

19 “(2) Not later than one year after the date of the  
20 enactment of the Deep Ocean Energy Resources Act of  
21 2006, the Secretary by regulation shall establish a  
22 conservation of resources fee for nonproducing leases  
23 that will apply to new and existing leases which shall  
24 be set at not less than \$1.00 nor more than \$4.00 per  
25 acre per year. This fee shall apply from and after Oc-



1        *tober 1, 2005, and shall be treated as offsetting re-*  
2        *ceipts.”;*

3            *(5) by striking subsection (a)(3)(A) and redesign-*  
4        *ating the subsequent subparagraphs as subpara-*  
5        *graphs (A) and (B), respectively;*

6            *(6) in subsection (a)(3)(A) (as so redesignated)*  
7        *by striking “In the Western” and all that follows*  
8        *through “the Secretary” the first place it appears and*  
9        *inserting “The Secretary”; and*

10           *(7) effective October 1, 2006, in subsection (g)—*

11                *(A) by striking all after “(g)”, except para-*  
12                *graph (3);*

13                *(B) by striking the last sentence of para-*  
14                *graph (3); and*

15                *(C) by striking “(3)”.*

16    **SEC. 7. DISPOSITION OF RECEIPTS.**

17        *Section 9 of the Outer Continental Shelf Lands Act*  
18        *(43 U.S.C. 1338) is amended—*

19                *(1) by designating the existing text as subsection*  
20                *(a);*

21                *(2) in subsection (a) (as so designated) by insert-*  
22                *ing “, if not paid as otherwise provided in this title”*  
23                *after “receipts”; and*

24                *(3) by adding the following:*



1       “(b) *TREATMENT OF OCS RECEIPTS FROM TRACTS*  
2 *COMPLETELY WITHIN 100 MILES OF THE COASTLINE.*—

3               “(1) *DEPOSIT.*—*The Secretary shall deposit into*  
4 *a separate account in the Treasury the portion of*  
5 *OCS Receipts for each fiscal year that will be shared*  
6 *under paragraphs (2), (3), and (4).*

7               “(2) *PHASED-IN RECEIPTS SHARING.*—

8                       “(A) *Beginning October 1, 2005, the Sec-*  
9 *retary shall share OCS Receipts derived from the*  
10 *following areas:*

11                               “(i) *Lease tracts located on portions of*  
12 *the Gulf of Mexico OCS Region completely*  
13 *beyond 4 marine leagues from any coastline*  
14 *and completely within 100 miles of any*  
15 *coastline that are available for leasing*  
16 *under the 2002–2007 5-Year Oil and Gas*  
17 *Leasing Program in effect prior to the date*  
18 *of the enactment of the Deep Ocean Energy*  
19 *Resources Act of 2006.*

20                               “(ii) *Lease tracts in production prior*  
21 *to October 1, 2005, completely beyond 4 ma-*  
22 *rine leagues from any coastline and com-*  
23 *pletely within 100 miles of any coastline lo-*  
24 *cated on portions of the OCS that were not*  
25 *available for leasing under the 2002–2007*



1                   *5-Year OCS Oil and Gas Leasing Program*  
2                   *in effect prior to the date of the enactment*  
3                   *of the Deep Ocean Energy Resources Act of*  
4                   *2006.*

5                   “(iii) *Lease tracts for which leases are*  
6                   *issued prior to October 1, 2005, located in*  
7                   *the Alaska OCS Region completely beyond 4*  
8                   *marine leagues from any coastline and com-*  
9                   *pletely within 100 miles of the coastline.*

10                  “(B) *The Secretary shall share the following*  
11                  *percentages of OCS Receipts from the leases de-*  
12                  *scribed in subparagraph (A) derived during the*  
13                  *fiscal year indicated:*

14                         “(i) *For fiscal year 2006, 6.0 percent.*

15                         “(ii) *For fiscal year 2007, 7.0 percent.*

16                         “(iii) *For fiscal year 2008, 8.0 percent.*

17                         “(iv) *For fiscal year 2009, 9.0 percent.*

18                         “(v) *For fiscal year 2010, 12.0 percent.*

19                         “(vi) *For fiscal year 2011, 15.0 per-*  
20                         *cent.*

21                         “(vii) *For fiscal year 2012, 18.0 per-*  
22                         *cent.*

23                         “(viii) *For fiscal year 2013, 21.0 per-*  
24                         *cent.*



1                   “(ix) For fiscal year 2014, 24.0 per-  
2                   cent.

3                   “(x) For fiscal year 2015, 27.0 percent.

4                   “(xi) For fiscal year 2016, 30.0 per-  
5                   cent.

6                   “(xii) For fiscal year 2017, 33.0 per-  
7                   cent.

8                   “(xiii) For fiscal year 2018, 36.0 per-  
9                   cent.

10                  “(xiv) For fiscal year 2019, 39.0 per-  
11                  cent.

12                  “(xv) For fiscal year 2020, 42.0 per-  
13                  cent.

14                  “(xvi) For fiscal year 2021, 45.0 per-  
15                  cent.

16                  “(xvii) For fiscal year 2022 and each  
17                  subsequent fiscal year, 50.0 percent.

18                  “(C) The provisions of this paragraph shall  
19                  not apply to leases that could not have been  
20                  issued but for section 5(k) of this Act or section  
21                  6(2) of the Deep Ocean Energy Resources Act of  
22                  2006.

23                  “(3) IMMEDIATE RECEIPTS SHARING.—Begin-  
24                  ning October 1, 2005, the Secretary shall share 50  
25                  percent of OCS Receipts derived from all leases lo-



1        *cated completely beyond 4 marine leagues from any*  
2        *coastline and completely within 100 miles of any*  
3        *coastline not included within the provisions of para-*  
4        *graph (2).*

5                *“(4) RECEIPTS SHARING FROM TRACTS WITHIN 4*  
6        *MARINE LEAGUES OF ANY COASTLINE.—Beginning*  
7        *October 1, 2005, the Secretary shall share 75 percent*  
8        *of OCS Receipts derived from all leases located com-*  
9        *pletely or partially within 4 marine leagues from any*  
10       *coastline.*

11               *“(5) ALLOCATIONS.—The Secretary shall allocate*  
12       *the OCS Receipts deposited into the separate account*  
13       *established by paragraph (1) that are shared under*  
14       *paragraphs (2), (3), and (4) as follows:*

15               *“(A) BONUS BIDS.—Deposits derived from*  
16       *bonus bids from a leased tract, including interest*  
17       *thereon, shall be allocated at the end of each fis-*  
18       *cal year as follows:*

19               *“(i) 85 percent to the Adjacent State.*

20               *“(ii) 5 percent into the Treasury,*  
21       *which shall be allocated to the account es-*  
22       *tablished by section 14 of the Deep Ocean*  
23       *Energy Resources Act of 2006.*



1                   “(iii) 5 percent into the account estab-  
2                   lished by section 23 of the Deep Ocean En-  
3                   ergy Resources Act of 2006.

4                   “(iv) 5 percent into the account estab-  
5                   lished by section 26 of the Deep Ocean En-  
6                   ergy Resources Act of 2006.

7                   “(B) ROYALTIES.—Deposits derived from  
8                   royalties from a leased tract, including interest  
9                   thereon, shall be allocated at the end of each fis-  
10                  cal year as follows:

11                  “(i) 85 percent to the Adjacent State  
12                  and any other producing State or States  
13                  with a leased tract within its Adjacent Zone  
14                  within 100 miles of its coastline that gen-  
15                  erated royalties during the fiscal year, if the  
16                  other producing or States have a coastline  
17                  point within 300 miles of any portion of the  
18                  leased tract, in which case the amount allo-  
19                  cated for the leased tract shall be—

20                  “(I) one-third to the Adjacent  
21                  State; and

22                  “(II) two-thirds to each producing  
23                  State, including the Adjacent State, in-  
24                  versely proportional to the distance be-  
25                  tween the nearest point on the coastline



1                   *of the producing State and the geo-*  
2                   *graphic center of the leased tract.*

3                   “(ii) 5 percent into the Treasury,  
4                   *which shall be allocated to the account es-*  
5                   *tablished by section 14 of the Deep Ocean*  
6                   *Energy Resources Act of 2006.*

7                   “(iii) 5 percent into the account estab-  
8                   *lished by section 23 of the Deep Ocean En-*  
9                   *ergy Resources Act of 2006.*

10                  “(iv) 5 percent into the account estab-  
11                  *lished by section 26 of the Deep Ocean En-*  
12                  *ergy Resources Act of 2006.*

13                  “(c) *TREATMENT OF OCS RECEIPTS FROM TRACTS*  
14                  *PARTIALLY OR COMPLETELY BEYOND 100 MILES OF THE*  
15                  *COASTLINE.—*

16                  “(1) *DEPOSIT.—The Secretary shall deposit into*  
17                  *a separate account in the Treasury the portion of*  
18                  *OCS Receipts for each fiscal year that will be shared*  
19                  *under paragraphs (2) and (3).*

20                  “(2) *PHASED-IN RECEIPTS SHARING.—*

21                  “(A) *Beginning October 1, 2005, the Sec-*  
22                  *retary shall share OCS Receipts derived from the*  
23                  *following areas:*

24                  “(i) *Lease tracts located on portions of*  
25                  *the Gulf of Mexico OCS Region partially or*



1 *completely beyond 100 miles of any coast-*  
2 *line that were available for leasing under*  
3 *the 2002–2007 5-Year Oil and Gas Leasing*  
4 *Program in effect prior to the date of enact-*  
5 *ment of the Deep Ocean Energy Resources*  
6 *Act of 2006.*

7 “(ii) *Lease tracts in production prior*  
8 *to October 1, 2005, partially or completely*  
9 *beyond 100 miles of any coastline located*  
10 *on portions of the OCS that were not avail-*  
11 *able for leasing under the 2002–2007 5-Year*  
12 *OCS Oil and Gas Leasing Program in ef-*  
13 *fect prior to the date of enactment of the*  
14 *Deep Ocean Energy Resources Act of 2006.*

15 “(iii) *Lease tracts for which leases are*  
16 *issued prior to October 1, 2005, located in*  
17 *the Alaska OCS Region partially or com-*  
18 *pletely beyond 100 miles of the coastline.*

19 “(B) *The Secretary shall share the following*  
20 *percentages of OCS Receipts from the leases de-*  
21 *scribed in subparagraph (A) derived during the*  
22 *fiscal year indicated:*

23 “(i) *For fiscal year 2006, 6.0 percent.*

24 “(ii) *For fiscal year 2007, 7.0 percent.*

25 “(iii) *For fiscal year 2008, 8.0 percent.*

1 “(iv) For fiscal year 2009, 9.0 percent.

2 “(v) For fiscal year 2010, 12.0 percent.

3 “(vi) For fiscal year 2011, 15.0 per-  
4 cent.

5 “(vii) For fiscal year 2012, 18.0 per-  
6 cent.

7 “(viii) For fiscal year 2013, 21.0 per-  
8 cent.

9 “(ix) For fiscal year 2014, 24.0 per-  
10 cent.

11 “(x) For fiscal year 2015, 27.0 percent.

12 “(xi) For fiscal year 2016, 30.0 per-  
13 cent.

14 “(xii) For fiscal year 2017, 33.0 per-  
15 cent.

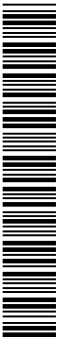
16 “(xiii) For fiscal year 2018, 36.0 per-  
17 cent.

18 “(xiv) For fiscal year 2019, 39.0 per-  
19 cent.

20 “(xv) For fiscal year 2020, 42.0 per-  
21 cent.

22 “(xvi) For fiscal year 2021, 45.0 per-  
23 cent.

24 “(xvii) For fiscal year 2022 and each  
25 subsequent fiscal year, 50.0 percent.



1           “(C) *The provisions of this paragraph shall*  
2           *not apply to leases that could not have been*  
3           *issued but for section 5(k) of this Act or section*  
4           *6(2) of the Deep Ocean Energy Resources Act of*  
5           *2006.*

6           “(3) *IMMEDIATE RECEIPTS SHARING.—Begin-*  
7           *ning October 1, 2005, the Secretary shall share 50*  
8           *percent of OCS Receipts derived on and after October*  
9           *1, 2005, from all leases located partially or completely*  
10          *beyond 100 miles of any coastline not included within*  
11          *the provisions of paragraph (2).*

12          “(4) *ALLOCATIONS.—The Secretary shall allocate*  
13          *the OCS Receipts deposited into the separate account*  
14          *established by paragraph (1) that are shared under*  
15          *paragraphs (2) and (3) as follows:*

16               “(A) *BONUS BIDS.—Deposits derived from*  
17               *bonus bids from a leased tract, including interest*  
18               *thereon, shall be allocated at the end of each fis-*  
19               *cal year as follows:*

20                       “(i) *85 percent to the Adjacent State.*

21                       “(ii) *5 percent into the Treasury,*  
22                       *which shall be allocated to the account es-*  
23                       *tablished by section 14 of the Deep Ocean*  
24                       *Energy Resources Act of 2006.*



1                   “(iii) 5 percent into the account estab-  
2                   lished by section 23 of the Deep Ocean En-  
3                   ergy Resources Act of 2006.

4                   “(iv) 5 percent into the account estab-  
5                   lished by section 26 of the Deep Ocean En-  
6                   ergy Resources Act of 2006.

7                   “(B) ROYALTIES.—Deposits derived from  
8                   royalties from a leased tract, including interest  
9                   thereon, shall be allocated at the end of each fis-  
10                  cal year as follows:

11                  “(i) 85 percent to the Adjacent State  
12                  and any other producing State or States  
13                  with a leased tract within its Adjacent Zone  
14                  partially or completely beyond 100 miles of  
15                  its coastline that generated royalties during  
16                  the fiscal year, if the other producing State  
17                  or States have a coastline point within 300  
18                  miles of any portion of the leased tract, in  
19                  which case the amount allocated for the  
20                  leased tract shall be—

21                  “(I) one-third to the Adjacent  
22                  State; and

23                  “(II) two-thirds to each producing  
24                  State, including the Adjacent State, in-  
25                  versely proportional to the distance be-



1 *tween the nearest point on the coastline*  
2 *of the producing State and the geo-*  
3 *graphic center of the leased tract.*

4 *“(ii) 5 percent into the account estab-*  
5 *lished by section 14 of the Deep Ocean En-*  
6 *ergy Resources Act of 2006.*

7 *“(iii) 5 percent into the account estab-*  
8 *lished by section 23 of the Deep Ocean En-*  
9 *ergy Resources Act of 2006.*

10 *“(iv) 5 percent into the account estab-*  
11 *lished by section 26 of the Deep Ocean En-*  
12 *ergy Resources Act of 2006.*

13 *“(d) TRANSMISSION OF ALLOCATIONS.—*

14 *“(1) IN GENERAL.—Not later than 90 days after*  
15 *the end of each fiscal year, the Secretary shall*  
16 *transmit—*

17 *“(A) to each State 60 percent of such State’s*  
18 *allocations under subsections (b)(5)(A)(i),*  
19 *(b)(5)(B)(i), (c)(4)(A)(i), and (c)(4)(B)(i) for the*  
20 *immediate prior fiscal year;*

21 *“(B) to coastal county-equivalent and mu-*  
22 *nicipal political subdivisions of such State a*  
23 *total of 40 percent of such State’s allocations*  
24 *under subsections (b)(5)(A)(i), (b)(5)(B)(i),*





1           (c)(4)(A)(i), and (c)(4)(B)(i), together with all  
2           accrued interest thereon; and

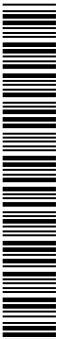
3           “(C) the remaining allocations under sub-  
4           sections (b)(5) and (c)(4), together with all ac-  
5           crued interest thereon.

6           “(2) *ALLOCATIONS TO COASTAL COUNTY-EQUIVA-*  
7           *LENT POLITICAL SUBDIVISIONS.*—*The Secretary shall*  
8           *make an initial allocation of the OCS Receipts to be*  
9           *shared under paragraph (1)(B) as follows:*

10           “(A) 25 percent shall be allocated to coastal  
11           county-equivalent political subdivisions that are  
12           completely more than 25 miles landward of the  
13           coastline and at least a part of which lies not  
14           more than 75 miles landward from the coastline,  
15           with the allocation among such coastal county-  
16           equivalent political subdivisions based on popu-  
17           lation.

18           “(B) 75 percent shall be allocated to coastal  
19           county-equivalent political subdivisions that are  
20           completely or partially less than 25 miles land-  
21           ward of the coastline, with the allocation among  
22           such coastal county-equivalent political subdivi-  
23           sions to be further allocated as follows:

24           “(i) 25 percent shall be allocated based  
25           on the ratio of such coastal county-equiva-



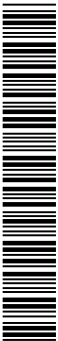
1                    *lent political subdivision's population to the*  
2                    *coastal population of all coastal county-*  
3                    *equivalent political subdivisions in the*  
4                    *State.*

5                    “(ii) 25 percent shall be allocated based  
6                    on the ratio of such coastal county-equa-  
7                    lent political subdivision's coastline miles to  
8                    the coastline miles of all coastal county-  
9                    equivalent political subdivisions in the  
10                  State as calculated by the Secretary. In  
11                  such calculations, coastal county-equivalent  
12                  political subdivisions without a coastline  
13                  shall be considered to have 50 percent of the  
14                  average coastline miles of the coastal coun-  
15                  ty-equivalent political subdivisions that do  
16                  have coastlines.

17                  “(iii) 25 percent shall be allocated to  
18                  all coastal county-equivalent political sub-  
19                  divisions having a coastline point within  
20                  300 miles of the leased tract for which OCS  
21                  Receipts are being shared based on a for-  
22                  mula that allocates the funds based on such  
23                  coastal county-equivalent political subdivi-  
24                  sion's relative distance from the leased tract.



1           “(iv) 25 percent shall be allocated to  
2           all coastal county-equivalent political sub-  
3           divisions having a coastline point within  
4           300 miles of the leased tract for which OCS  
5           Receipts are being shared based on the rel-  
6           ative level of outer Continental Shelf oil and  
7           gas activities in a coastal political subdivi-  
8           sion compared to the level of outer Conti-  
9           nental Shelf activities in all coastal polit-  
10          ical subdivisions in the State. The Secretary  
11          shall define the term ‘outer Continental  
12          Shelf oil and gas activities’ for purposes of  
13          this subparagraph to include, but not be  
14          limited to, construction of vessels, drillships,  
15          and platforms involved in exploration, pro-  
16          duction, and development on the outer Con-  
17          tinental Shelf; support and supply bases,  
18          ports, and related activities; offices of geolo-  
19          gists, geophysicists, engineers, and other  
20          professionals involved in support of explo-  
21          ration, production, and development of oil  
22          and gas on the outer Continental Shelf;  
23          pipelines and other means of transporting  
24          oil and gas production from the outer Con-  
25          tinental Shelf; and processing and refining



1                   of oil and gas production from the outer  
2                   Continental Shelf. For purposes of this sub-  
3                   paragraph, if a coastal county-equivalent  
4                   political subdivision does not have a coast-  
5                   line, its coastal point shall be the point on  
6                   the coastline closest to it.

7                   “(3) *ALLOCATIONS TO COASTAL MUNICIPAL PO-*  
8                   *LITICAL SUBDIVISIONS.*—*The initial allocation to*  
9                   *each coastal county-equivalent political subdivision*  
10                  *under paragraph (2) shall be further allocated to the*  
11                  *coastal county-equivalent political subdivision and*  
12                  *any coastal municipal political subdivisions located*  
13                  *partially or wholly within the boundaries of the coast-*  
14                  *al county-equivalent political subdivision as follows:*

15                  “(A) *One-third shall be allocated to the*  
16                  *coastal county-equivalent political subdivision.*

17                  “(B) *Two-thirds shall be allocated on a per*  
18                  *capita basis to the municipal political subdivi-*  
19                  *sions and the county-equivalent political subdivi-*  
20                  *sion, with the allocation to the latter based upon*  
21                  *its population not included within the bound-*  
22                  *aries of a municipal political subdivision.*

23                  “(e) *INVESTMENT OF DEPOSITS.*—*Amounts deposited*  
24                  *under this section shall be invested by the Secretary of the*  
25                  *Treasury in securities backed by the full faith and credit*

1 *of the United States having maturities suitable to the needs*  
2 *of the account in which they are deposited and yielding the*  
3 *highest reasonably available interest rates as determined by*  
4 *the Secretary of the Treasury.*

5 “(f) *USE OF FUNDS.*—*A recipient of funds under this*  
6 *section may use the funds for one or more of the following:*

7 “(1) *To reduce in-State college tuition at public*  
8 *institutions of higher learning and otherwise support*  
9 *public education, including career technical edu-*  
10 *cation.*

11 “(2) *To make transportation infrastructure im-*  
12 *provements.*

13 “(3) *To reduce taxes.*

14 “(4) *To promote, fund, and provide for—*

15 “(A) *coastal or environmental restoration;*

16 “(B) *fish, wildlife, and marine life habitat*  
17 *enhancement;*

18 “(C) *waterways construction and mainte-*  
19 *nance;*

20 “(D) *levee construction and maintenance*  
21 *and shore protection; and*

22 “(E) *marine and oceanographic education*  
23 *and research.*

24 “(5) *To promote, fund, and provide for —*



1                   “(A) infrastructure associated with energy  
2                   production activities conducted on the outer Con-  
3                   tinental Shelf;

4                   “(B) energy demonstration projects;

5                   “(C) supporting infrastructure for shore-  
6                   based energy projects;

7                   “(D) State geologic programs, including  
8                   geologic mapping and data storage programs,  
9                   and state geophysical data acquisition;

10                  “(E) State seismic monitoring programs,  
11                  including operation of monitoring stations;

12                  “(F) development of oil and gas resources  
13                  through enhanced recovery techniques;

14                  “(G) alternative energy development, in-  
15                  cluding bio fuels, coal-to-liquids, oil shale, tar  
16                  sands, geothermal, geopressure, wind, waves, cur-  
17                  rents, hydro, and other renewable energy;

18                  “(H) energy efficiency and conservation  
19                  programs; and

20                  “(I) front-end engineering and design for  
21                  facilities that produce liquid fuels from hydro-  
22                  carbons and other biological matter.

23                  “(6) To promote, fund, and provide for—

24                         “(A) historic preservation programs and  
25                         projects;



1                   “(B) natural disaster planning and re-  
2                   sponse; and,

3                   “(C) hurricane and natural disaster insur-  
4                   ance programs.

5                   “(7) For any other purpose as determined by  
6                   State law.

7                   “(g) NO ACCOUNTING REQUIRED.—No recipient of  
8 funds under this section shall be required to account to the  
9 Federal Government for the expenditure of such funds, ex-  
10 cept as otherwise may be required by law. However, States  
11 may enact legislation providing for accounting for and au-  
12 diting of such expenditures. Further, funds allocated under  
13 this section to States and political subdivisions may be used  
14 as matching funds for other Federal programs.

15                  “(h) EFFECT OF FUTURE LAWS.—Enactment of any  
16 future Federal statute that has the effect, as determined by  
17 the Secretary, of restricting any Federal agency from spend-  
18 ing appropriated funds, or otherwise preventing it from ful-  
19 filling its pre-existing responsibilities as of the date of en-  
20 actment of the statute, unless such responsibilities have been  
21 reassigned to another Federal agency by the statute with  
22 no prevention of performance, to issue any permit or other  
23 approval impacting on the OCS oil and gas leasing pro-  
24 gram, or any lease issued thereunder, or to implement any  
25 provision of this Act shall automatically prohibit any shar-

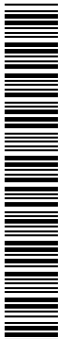
1 *ing of OCS Receipts under this section directly with the*  
2 *States, and their coastal political subdivisions, for the dura-*  
3 *tion of the restriction. The Secretary shall make the deter-*  
4 *mination of the existence of such restricting effects within*  
5 *30 days of a petition by any outer Continental Shelf lessee*  
6 *or producing State.*

7 “(i) *DEFINITIONS.—In this section:*

8 “(1) *COASTAL COUNTY-EQUIVALENT POLITICAL*  
9 *SUBDIVISION.—The term ‘coastal county-equivalent*  
10 *political subdivision’ means a political jurisdiction*  
11 *immediately below the level of State government, in-*  
12 *cluding a county, parish, borough in Alaska, inde-*  
13 *pendent municipality not part of a county, parish, or*  
14 *borough in Alaska, or other equivalent subdivision of*  
15 *a coastal State, that lies within the coastal zone.*

16 “(2) *COASTAL MUNICIPAL POLITICAL SUBDIVI-*  
17 *SION.—The term ‘coastal municipal political subdivi-*  
18 *sion’ means a municipality located within and part*  
19 *of a county, parish, borough in Alaska, or other*  
20 *equivalent subdivision of a State, all or part of which*  
21 *coastal municipal political subdivision lies within the*  
22 *coastal zone.*

23 “(3) *COASTAL POPULATION.—The term ‘coastal*  
24 *population’ means the population of all coastal coun-*





1 *ty-equivalent political subdivisions, as determined by*  
2 *the most recent official data of the Census Bureau.*

3 “(4) *COASTAL ZONE.*—*The term ‘coastal zone’*  
4 *means that portion of a coastal State, including the*  
5 *entire territory of any coastal county-equivalent polit-*  
6 *ical subdivision at least a part of which lies, within*  
7 *75 miles landward from the coastline, or a greater*  
8 *distance as determined by State law enacted to imple-*  
9 *ment this section.*

10 “(5) *BONUS BIDS.*—*The term ‘bonus bids’ means*  
11 *all funds received by the Secretary to issue an outer*  
12 *Continental Shelf minerals lease.*

13 “(6) *ROYALTIES.*—*The term ‘royalties’ means all*  
14 *funds received by the Secretary from production of oil*  
15 *or natural gas, or the sale of production taken in-*  
16 *kind, from an outer Continental Shelf minerals lease.*

17 “(7) *PRODUCING STATE.*—*The term ‘producing*  
18 *State’ means an Adjacent State having an Adjacent*  
19 *Zone containing leased tracts from which OCS Re-*  
20 *ceipts were derived.*

21 “(8) *OCS RECEIPTS.*—*The term ‘OCS Receipts’*  
22 *means bonus bids, royalties, and conservation of re-*  
23 *sources fees.’.*



1 **SEC. 8. REVIEW OF OUTER CONTINENTAL SHELF EXPLO-**  
2 **RATION PLANS.**

3 *Subsections (c) and (d) of section 11 of the Outer Con-*  
4 *tinental Shelf Lands Act (43 U.S.C. 1340) are amended to*  
5 *read as follows:*

6 “(c) *PLAN REVIEW; PLAN PROVISIONS.—*

7 *“(1) Except as otherwise provided in this Act,*  
8 *prior to commencing exploration pursuant to any oil*  
9 *and gas lease issued or maintained under this Act,*  
10 *the holder thereof shall submit an exploration plan*  
11 *(hereinafter in this section referred to as a ‘plan’) to*  
12 *the Secretary for review which shall include all infor-*  
13 *mation and documentation required under para-*  
14 *graphs (2) and (3). The Secretary shall review the*  
15 *plan for completeness within 10 days of submission.*  
16 *If the Secretary finds that the plan is not complete,*  
17 *the Secretary shall notify the lessee with a detailed ex-*  
18 *planation and require such modifications of such*  
19 *plan as are necessary to achieve completeness. The*  
20 *Secretary shall have 10 days to review a modified*  
21 *plan for completeness. Such plan may apply to more*  
22 *than one lease held by a lessee in any one region of*  
23 *the outer Continental Shelf, or by a group of lessees*  
24 *acting under a unitization, pooling, or drilling agree-*  
25 *ment, and the lessee shall certify that such plan is*  
26 *consistent with the terms of the lease and is consistent*

1       *with all statutory and regulatory requirements in ef-*  
2       *fect on the date of issuance of the lease, and any regu-*  
3       *lations promulgated under this Act to the conserva-*  
4       *tion of resources after the date of the lease issuances.*  
5       *The Secretary shall have 30 days from the date the*  
6       *plan is deemed complete to conduct a review of the*  
7       *plan. If the Secretary finds the plan is not consistent*  
8       *with the lease and all such statutory and regulatory*  
9       *requirements, the Secretary shall notify the lessee with*  
10      *a detailed explanation of such modifications of such*  
11      *plan as are necessary to achieve compliance. The Sec-*  
12      *retary shall have 30 days to review any modified*  
13      *plan submitted by the lessee. The lessee shall not take*  
14      *any action under the exploration plan within the 30-*  
15      *day review period, or thereafter until the plan has*  
16      *been modified to achieve compliance as so notified.*

17           “(2) *An exploration plan submitted under this*  
18      *subsection shall include, in the degree of detail which*  
19      *the Secretary may by regulation require—*

20                   “(A) *a schedule of anticipated exploration*  
21                   *activities to be undertaken;*

22                   “(B) *a description of equipment to be used*  
23                   *for such activities;*

24                   “(C) *the general location of each well to be*  
25                   *drilled; and*

1                   “(D) such other information deemed perti-  
2                   nent by the Secretary.

3                   “(3) The Secretary may, by regulation, require  
4                   that such plan be accompanied by a general statement  
5                   of development and production intentions which shall  
6                   be for planning purposes only and which shall not be  
7                   binding on any party.

8                   “(d) *PLAN REVISIONS; CONDUCT OF EXPLORATION AC-*  
9                   *TIVITIES.*—

10                  “(1) If a significant revision of an exploration  
11                  plan under this subsection is submitted to the Sec-  
12                  retary, the process to be used for the review of such  
13                  revision shall be the same as set forth in subsection  
14                  (c) of this section.

15                  “(2) All exploration activities pursuant to any  
16                  lease shall be conducted in accordance with an explo-  
17                  ration plan or a revised plan which has been sub-  
18                  mitted to and reviewed by the Secretary.”.

19   **SEC. 9. RESERVATION OF LANDS AND RIGHTS.**

20                  Section 12 of the Outer Continental Shelf Lands Act  
21                  (43 U.S.C. 1341) is amended—

22                  (1) in subsection (a) by adding at the end the  
23                  following: “The President may partially or completely  
24                  revise or revoke any prior withdrawal made by the  
25                  President under the authority of this section. The

1       *President may not revise or revoke a withdrawal that*  
2       *was initiated by a petition from a State and ap-*  
3       *proved by the Secretary of the Interior under sub-*  
4       *section (h). A withdrawal by the President may be for*  
5       *a term not to exceed 10 years. When considering po-*  
6       *tential uses of the outer Continental Shelf, to the max-*  
7       *imum extent possible, the President shall accommo-*  
8       *date competing interests and potential uses.”;*

9               *(2) by adding at the end the following:*

10       “(g) *AVAILABILITY FOR LEASING WITHIN CERTAIN*  
11       *AREAS OF THE OUTER CONTINENTAL SHELF.—*

12               “(1) *PROHIBITION AGAINST LEASING.—*

13               “(A) *UNAVAILABLE FOR LEASING WITHOUT*  
14       *STATE REQUEST.—Except as otherwise provided*  
15       *in this subsection, from and after enactment of*  
16       *the Deep Ocean Energy Resources Act of 2006,*  
17       *the Secretary shall not offer for leasing for oil*  
18       *and gas, or natural gas, any area within 50*  
19       *miles of the coastline that was withdrawn from*  
20       *disposition by leasing in the Atlantic OCS Re-*  
21       *gion or the Pacific OCS Region, or the Gulf of*  
22       *Mexico OCS Region Eastern Planning Area, as*  
23       *depicted on the maps referred to in this subpara-*  
24       *graph, under the ‘Memorandum on Withdrawal*  
25       *of Certain Areas of the United States Outer Con-*

1            *tinental Shelf from Leasing Disposition’, 34*  
2            *Weekly Comp. Pres. Doc. 1111, dated June 12,*  
3            *1998, or any area within 50 miles of the coast-*  
4            *line not withdrawn under that Memorandum*  
5            *that is included within the Gulf of Mexico OCS*  
6            *Region Eastern Planning Area as indicated on*  
7            *the map entitled ‘Gulf of Mexico OCS Region*  
8            *State Adjacent Zones and OCS Planning Areas’*  
9            *or the Florida Straits Planning Area as indi-*  
10           *cated on the map entitled ‘Atlantic OCS Region*  
11           *State Adjacent Zones and OCS Planning Areas’,*  
12           *both of which are dated September 2005 and on*  
13           *file in the Office of the Director, Minerals Man-*  
14           *agement Service.*

15           “(B) AREAS BETWEEN 50 AND 100 MILES  
16           FROM THE COASTLINE.—Unless an Adjacent  
17           State petitions under subsection (h) within one  
18           year after the date of the enactment of the Deep  
19           Ocean Energy Resources Act of 2006 for natural  
20           gas leasing or by June 30, 2009, for oil and gas  
21           leasing, the Secretary shall offer for leasing any  
22           area more than 50 miles but less than 100 miles  
23           from the coastline that was withdrawn from dis-  
24           position by leasing in the Atlantic OCS Region,  
25           the Pacific OCS Region, or the Gulf of Mexico

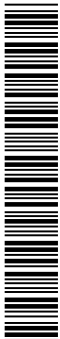


1           *OCS Region Eastern Planning Area, as depicted*  
2           *on the maps referred to in this subparagraph,*  
3           *under the ‘Memorandum on Withdrawal of Cer-*  
4           *tain Areas of the United States Outer Conti-*  
5           *ental Shelf from Leasing Disposition’, 34 Week-*  
6           *ly Comp. Pres. Doc. 1111, dated June 12, 1998,*  
7           *or any area more than 50 miles but less than*  
8           *100 miles of the coastline not withdrawn under*  
9           *that Memorandum that is included within the*  
10          *Gulf of Mexico OCS Region Eastern Planning*  
11          *Area as indicated on the map entitled ‘Gulf of*  
12          *Mexico OCS Region State Adjacent Zones and*  
13          *OCS Planning Areas’ or within the Florida*  
14          *Straits Planning Area as indicated on the map*  
15          *entitled ‘Atlantic OCS Region State Adjacent*  
16          *Zones and OCS Planning Areas’, both of which*  
17          *are dated September 2005 and on file in the Of-*  
18          *fice of the Director, Minerals Management Serv-*  
19          *ice.*

20           “(2) *REVOCATION OF WITHDRAWAL.*—*The provi-*  
21          *sions of the ‘Memorandum on Withdrawal of Certain*  
22          *Areas of the United States Outer Continental Shelf*  
23          *from Leasing Disposition’, 34 Weekly Comp. Pres.*  
24          *Doc. 1111, dated June 12, 1998, are hereby revoked*  
25          *and are no longer in effect regarding any areas that*



1        *are more than 100 miles from the coastline, nor for*  
2        *any areas that are less than 100 miles from the coast-*  
3        *line and are included within the Gulf of Mexico OCS*  
4        *Region Central Planning Area as depicted on the*  
5        *map entitled ‘Gulf of Mexico OCS Region State Adja-*  
6        *cent Zones and OCS Planning Areas’ dated Sep-*  
7        *tember 2005 and on file in the Office of the Director,*  
8        *Minerals Management Service. The 2002–2007 5-Year*  
9        *Outer Continental Shelf Oil and Gas Leasing Pro-*  
10       *gram is hereby amended to include the areas added*  
11       *to the Gulf of Mexico OCS Region Central Planning*  
12       *Area by this Act to the extent that such areas were*  
13       *included within the original boundaries of proposed*  
14       *Lease Sale 181. The amendment to such leasing pro-*  
15       *gram includes a sale in such additional areas, which*  
16       *shall be held no later than June 30, 2007. The Final*  
17       *Environmental Impact Statement prepared for this*  
18       *area for Lease Sale 181 shall be deemed sufficient for*  
19       *all purposes for each lease sale in which such area is*  
20       *offered for lease during the 2002–2007 5-Year Outer*  
21       *Continental Shelf Oil and Gas Leasing Program*  
22       *without need for supplementation. Any tract only*  
23       *partially added to the Gulf of Mexico OCS Region*  
24       *Central Planning Area by this Act shall be eligible for*  
25       *leasing of the part of such tract that is included with-*



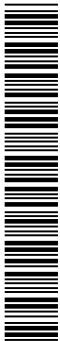


1        *in the Gulf of Mexico OCS Region Central Planning*  
2        *Area, and the remainder of such tract that lies out-*  
3        *side of the Gulf of Mexico OCS Region Central Plan-*  
4        *ning Area may be developed and produced by the les-*  
5        *see of such partial tract using extended reach or simi-*  
6        *lar drilling from a location on a leased area. Further,*  
7        *any area in the OCS withdrawn from leasing may be*  
8        *leased, and thereafter developed and produced by the*  
9        *lessee using extended reach or similar drilling from a*  
10       *location on a leased area located in an area available*  
11       *for leasing.*

12       “(3) *PETITION FOR LEASING.*—

13                “(A) *IN GENERAL.*—*The Governor of the*  
14        *State, upon concurrence of its legislature, may*  
15        *submit to the Secretary a petition requesting*  
16        *that the Secretary make available any area that*  
17        *is within the State’s Adjacent Zone, included*  
18        *within the provisions of paragraph (1), and that*  
19        *(i) is greater than 25 miles from any point on*  
20        *the coastline of a Neighboring State for the con-*  
21        *duct of offshore leasing, pre-leasing, and related*  
22        *activities with respect to natural gas leasing; or*  
23        *(ii) is greater than 50 miles from any point on*  
24        *the coastline of a Neighboring State for the con-*  
25        *duct of offshore leasing, pre-leasing, and related*

1           *activities with respect to oil and gas leasing. The*  
2           *Adjacent State may also petition for leasing any*  
3           *other area within its Adjacent Zone if leasing is*  
4           *allowed in the similar area of the Adjacent Zone*  
5           *of the applicable Neighboring State, or if not al-*  
6           *lowed, if the Neighboring State, acting through*  
7           *its Governor, expresses its concurrence with the*  
8           *petition. The Secretary shall only consider such*  
9           *a petition upon making a finding that leasing is*  
10          *allowed in the similar area of the Adjacent Zone*  
11          *of the applicable Neighboring State or upon re-*  
12          *ceipt of the concurrence of the Neighboring State.*  
13          *The date of receipt by the Secretary of such con-*  
14          *currence by the Neighboring State shall con-*  
15          *stitute the date of receipt of the petition for that*  
16          *area for which the concurrence applies. Except*  
17          *for any area described in the last sentence of*  
18          *paragraph (2), a petition for leasing any part of*  
19          *the Alabama Adjacent Zone that is a part of the*  
20          *Gulf of Mexico Eastern Planning Area, as indi-*  
21          *cated on the map entitled ‘Gulf of Mexico OCS*  
22          *Region State Adjacent Zones and OCS Planning*  
23          *Areas’ which is dated September 2005 and on*  
24          *file in the Office of the Director, Minerals Man-*



1            *agement Service, shall require the concurrence of*  
2            *both Alabama and Florida.*

3            *“(B) LIMITATIONS ON LEASING.—In its pe-*  
4            *tition, a State with an Adjacent Zone that con-*  
5            *tains leased tracts may condition new leasing for*  
6            *oil and gas, or natural gas for tracts within 25*  
7            *miles of the coastline by—*

8            *“(i) requiring a net reduction in the*  
9            *number of production platforms;*

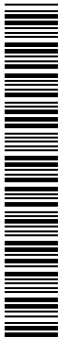
10           *“(ii) requiring a net increase in the*  
11           *average distance of production platforms*  
12           *from the coastline;*

13           *“(iii) limiting permanent surface occu-*  
14           *pancy on new leases to areas that are more*  
15           *than 10 miles from the coastline;*

16           *“(iv) limiting some tracts to being pro-*  
17           *duced from shore or from platforms located*  
18           *on other tracts; or*

19           *“(v) other conditions that the Adjacent*  
20           *State may deem appropriate as long as the*  
21           *Secretary does not determine that produc-*  
22           *tion is made economically or technically*  
23           *impracticable or otherwise impossible.*

24           *“(C) ACTION BY SECRETARY.—Not later*  
25           *than 90 days after receipt of a petition under*



1           *subparagraph (A), the Secretary shall approve*  
2           *the petition, unless the Secretary determines that*  
3           *leasing the area would probably cause serious*  
4           *harm or damage to the marine resources of the*  
5           *State's Adjacent Zone. Prior to approving the*  
6           *petition, the Secretary shall complete an envi-*  
7           *ronmental assessment that documents the antici-*  
8           *pated environmental effects of leasing in the area*  
9           *included within the scope of the petition.*

10           “(D) *FAILURE TO ACT.*—*If the Secretary*  
11           *fails to approve or deny a petition in accordance*  
12           *with subparagraph (C) the petition shall be con-*  
13           *sidered to be approved 90 days after receipt of*  
14           *the petition.*

15           “(E) *AMENDMENT OF THE 5-YEAR LEASING*  
16           *PROGRAM.*—*Notwithstanding section 18, within*  
17           *180 days of the approval of a petition under sub-*  
18           *paragraph (C) or (D), after the expiration of the*  
19           *time limits in paragraph (1)(B), and within 180*  
20           *days after the enactment of the Deep Ocean En-*  
21           *ergy Resources Act of 2006 for the areas made*  
22           *available for leasing under paragraph (2), the*  
23           *Secretary shall amend the current 5-Year Outer*  
24           *Continental Shelf Oil and Gas Leasing Program*  
25           *to include a lease sale or sales for at least 75*

1           *percent of the associated areas, unless there are,*  
2           *from the date of approval, expiration of such*  
3           *time limits, or enactment, as applicable, fewer*  
4           *than 12 months remaining in the current 5-Year*  
5           *Leasing Program in which case the Secretary*  
6           *shall include the associated areas within lease*  
7           *sales under the next 5-Year Leasing Program.*  
8           *For purposes of amending the 5-Year Program*  
9           *in accordance with this section, further consulta-*  
10          *tions with States shall not be required. For pur-*  
11          *poses of this section, an environmental assess-*  
12          *ment performed under the provisions of the Na-*  
13          *tional Environmental Policy Act of 1969 to as-*  
14          *sess the effects of approving the petition shall be*  
15          *sufficient to amend the 5-Year Leasing Program.*

16          “(h) *OPTION TO PETITION FOR EXTENSION OF WITH-*  
17          *DRAWAL FROM LEASING WITHIN CERTAIN AREAS OF THE*  
18          *OUTER CONTINENTAL SHELF.—*

19                 “(1) *IN GENERAL.—The Governor of the State,*  
20                 *upon the concurrence of its legislature, may submit to*  
21                 *the Secretary petitions requesting that the Secretary*  
22                 *extend for a period of time of up to 5 years for each*  
23                 *petition the withdrawal from leasing for all or part*  
24                 *of any area within the State’s Adjacent Zone located*  
25                 *more than 50 miles, but less than 100 miles, from the*

1 *coastline that is subject to subsection (g)(1)(B). A*  
2 *State may petition multiple times for any particular*  
3 *area but not more than once per calendar year for*  
4 *any particular area. A State must submit separate*  
5 *petitions, with separate votes by its legislature, for oil*  
6 *and gas leasing and for natural gas leasing. A peti-*  
7 *tion of a State may request some areas to be with-*  
8 *drawn from all leasing and some areas to be with-*  
9 *drawn only from one type of leasing. Petitions for ex-*  
10 *tending the withdrawal from leasing of any part of*  
11 *the Alabama Adjacent Zone that is more than 50*  
12 *miles, but less than 100 miles, from the coastline that*  
13 *is a part of the Gulf of Mexico OCS Region Eastern*  
14 *Planning Area, as indicated on the map entitled*  
15 *‘Gulf of Mexico OCS Region State Adjacent Zones*  
16 *and OCS Planning Areas’ which is dated September*  
17 *2005 and on file in the Office of the Director, Min-*  
18 *erals Management Service, may be made by either*  
19 *Alabama or Florida.*

20 *“(2) ACTION BY SECRETARY.—The Secretary*  
21 *shall perform an environmental assessment under the*  
22 *National Environmental Policy Act of 1969 to assess*  
23 *the effects of approving the petition under paragraph*  
24 *(1). Not later than 90 days after receipt of the peti-*  
25 *tion, the Secretary shall approve the petition, unless*

1        *the Secretary determines that extending the with-*  
2        *drawal from leasing would probably cause serious*  
3        *harm or damage to the marine resources of the State's*  
4        *Adjacent Zone. The Secretary shall not approve a pe-*  
5        *tition from a State that extends the remaining period*  
6        *of a withdrawal of an area from leasing for a total*  
7        *of more than 10 years. However, the Secretary may*  
8        *approve petitions to extend the withdrawal from leas-*  
9        *ing of any area ad infinitum, subject only to the lim-*  
10       *itations contained in this subsection.*

11            *“(3) FAILURE TO ACT.—If the Secretary fails to*  
12        *approve or deny a petition in accordance with para-*  
13        *graph (2) the petition shall be considered to be ap-*  
14        *proved 90 days after receipt of the petition.*

15            *“(i) EFFECT OF OTHER LAWS.—Adoption by any Ad-*  
16        *jacent State of any constitutional provision, or enactment*  
17        *of any State statute, that has the effect, as determined by*  
18        *the Secretary, of restricting either the Governor or the Leg-*  
19        *islature, or both, from exercising full discretion related to*  
20        *subsection (g) or (h), or both, shall automatically (1) pro-*  
21        *hibit any sharing of OCS Receipts under this Act with the*  
22        *Adjacent State, and its coastal political subdivisions, and*  
23        *(2) prohibit the Adjacent State from exercising any author-*  
24        *ity under subsection (h), for the duration of the restriction.*  
25        *The Secretary shall make the determination of the existence*

1 *of such restricting constitutional provision or State statute*  
2 *within 30 days of a petition by any outer Continental Shelf*  
3 *lessee or coastal State.”.*

4 **SEC. 10. OUTER CONTINENTAL SHELF LEASING PROGRAM.**

5 *Section 18 of the Outer Continental Shelf Lands Act*  
6 *(43 U.S.C. 1344) is amended—*

7 *(1) in subsection (a), by adding at the end of*  
8 *paragraph (3) the following: “The Secretary shall, in*  
9 *each 5-year program, include lease sales that when*  
10 *viewed as a whole propose to offer for oil and gas or*  
11 *natural gas leasing at least 75 percent of the avail-*  
12 *able unleased acreage within each OCS Planning*  
13 *Area. Available unleased acreage is that portion of the*  
14 *outer Continental Shelf that is not under lease at the*  
15 *time of the proposed lease sale, and has not otherwise*  
16 *been made unavailable for leasing by law.”;*

17 *(2) in subsection (c), by striking so much as pre-*  
18 *cedes paragraph (3) and inserting the following:*

19 *“(c)(1) During the preparation of any proposed leas-*  
20 *ing program under this section, the Secretary shall consider*  
21 *and analyze leasing throughout the entire Outer Conti-*  
22 *ental Shelf without regard to any other law affecting such*  
23 *leasing. During this preparation the Secretary shall invite*  
24 *and consider suggestions from any interested Federal agen-*  
25 *cy, including the Attorney General, in consultation with the*





1 *Federal Trade Commission, and from the Governor of any*  
2 *coastal State. The Secretary may also invite or consider*  
3 *any suggestions from the executive of any local government*  
4 *in a coastal State that have been previously submitted to*  
5 *the Governor of such State, and from any other person. Fur-*  
6 *ther, the Secretary shall consult with the Secretary of De-*  
7 *fense regarding military operational needs in the outer*  
8 *Continental Shelf. The Secretary shall work with the Sec-*  
9 *retary of Defense to resolve any conflicts that might arise*  
10 *regarding offering any area of the outer Continental Shelf*  
11 *for oil and gas or natural gas leasing. If the Secretaries*  
12 *are not able to resolve all such conflicts, any unresolved*  
13 *issues shall be elevated to the President for resolution.*

14       “(2) *After the consideration and analysis required by*  
15 *paragraph (1), including the consideration of the sugges-*  
16 *tions received from any interested Federal agency, the Fed-*  
17 *eral Trade Commission, the Governor of any coastal State,*  
18 *any local government of a coastal State, and any other per-*  
19 *son, the Secretary shall publish in the Federal Register a*  
20 *proposed leasing program accompanied by a draft environ-*  
21 *mental impact statement prepared pursuant to the Na-*  
22 *tional Environmental Policy Act of 1969. After the pub-*  
23 *lishing of the proposed leasing program and during the*  
24 *comment period provided for on the draft environmental*  
25 *impact statement, the Secretary shall submit a copy of the*

1 *proposed program to the Governor of each affected State for*  
2 *review and comment. The Governor may solicit comments*  
3 *from those executives of local governments in the Governor’s*  
4 *State that the Governor, in the discretion of the Governor,*  
5 *determines will be affected by the proposed program. If any*  
6 *comment by such Governor is received by the Secretary at*  
7 *least 15 days prior to submission to the Congress pursuant*  
8 *to paragraph (3) and includes a request for any modifica-*  
9 *tion of such proposed program, the Secretary shall reply*  
10 *in writing, granting or denying such request in whole or*  
11 *in part, or granting such request in such modified form*  
12 *as the Secretary considers appropriate, and stating the Sec-*  
13 *retary’s reasons therefor. All such correspondence between*  
14 *the Secretary and the Governor of any affected State, to-*  
15 *gether with any additional information and data relating*  
16 *thereto, shall accompany such proposed program when it*  
17 *is submitted to the Congress.”; and*

18 *(3) by adding at the end the following:*

19 *“(i) PROJECTION OF STATE ADJACENT ZONE RE-*  
20 *SOURCES AND STATE AND LOCAL GOVERNMENT SHARES OF*  
21 *OCS RECEIPTS.—Concurrent with the publication of the*  
22 *scoping notice at the beginning of the development of each*  
23 *5-year outer Continental Shelf oil and gas leasing program,*  
24 *or as soon thereafter as possible, the Secretary shall—*

1           “(1) provide to each Adjacent State a current es-  
2       timate of proven and potential oil and gas resources  
3       located within the State’s Adjacent Zone; and

4           “(2) provide to each Adjacent State, and coastal  
5       political subdivisions thereof, a best-efforts projection  
6       of the OCS Receipts that the Secretary expects will be  
7       shared with each Adjacent State, and its coastal polit-  
8       ical subdivisions, using the assumption that the un-  
9       leased tracts within the State’s Adjacent Zone are  
10      fully made available for leasing, including long-term  
11      projected OCS Receipts. In addition, the Secretary  
12      shall include a macroeconomic estimate of the impact  
13      of such leasing on the national economy and each  
14      State’s economy, including investment, jobs, revenues,  
15      personal income, and other categories.”.

16 **SEC. 11. COORDINATION WITH ADJACENT STATES.**

17       Section 19 of the Outer Continental Shelf Lands Act  
18       (43 U.S.C. 1345) is amended—

19           (1) in subsection (a) in the first sentence by in-  
20       serting “, for any tract located within the Adjacent  
21       State’s Adjacent Zone,” after “government”; and

22           (2) by adding the following:

23       “(f)(1) No Federal agency may permit or otherwise ap-  
24       prove, without the concurrence of the Adjacent State, the  
25       construction of a crude oil or petroleum products (or both)



1 *pipeline within the part of the Adjacent State's Adjacent*  
2 *Zone that is withdrawn from oil and gas or natural gas*  
3 *leasing, except that such a pipeline may be approved, with-*  
4 *out such Adjacent State's concurrence, to pass through such*  
5 *Adjacent Zone if at least 50 percent of the production pro-*  
6 *jected to be carried by the pipeline within its first 10 years*  
7 *of operation is from areas of the Adjacent State's Adjacent*  
8 *Zone.*

9       “(2) No State may prohibit the construction within  
10 *its Adjacent Zone or its State waters of a natural gas pipe-*  
11 *line that will transport natural gas produced from the outer*  
12 *Continental Shelf. However, an Adjacent State may prevent*  
13 *a proposed natural gas pipeline landing location if it pro-*  
14 *poses two alternate landing locations in the Adjacent State,*  
15 *acceptable to the Adjacent State, located within 50 miles*  
16 *on either side of the proposed landing location.”.*

17 **SEC. 12. ENVIRONMENTAL STUDIES.**

18       *Section 20(d) of the Outer Continental Shelf Lands Act*  
19 *(43 U.S.C. 1346) is amended—*

20               *(1) by inserting “(1)” after “(d)”;* and

21               *(2) by adding at the end the following:*

22       “(2) *For all programs, lease sales, leases, and actions*  
23 *under this Act, the following shall apply regarding the ap-*  
24 *plication of the National Environmental Policy Act of*  
25 *1969:*

1           “(A) *Granting or directing lease suspensions and*  
2           *the conduct of all preliminary activities on outer*  
3           *Continental Shelf tracts, including seismic activities,*  
4           *are categorically excluded from the need to prepare ei-*  
5           *ther an environmental assessment or an environ-*  
6           *mental impact statement, and the Secretary shall not*  
7           *be required to analyze whether any exceptions to a*  
8           *categorical exclusion apply for activities conducted*  
9           *under the authority of this Act.*

10           “(B) *The environmental impact statement devel-*  
11           *oped in support of each 5-year oil and gas leasing*  
12           *program provides the environmental analysis for all*  
13           *lease sales to be conducted under the program and*  
14           *such sales shall not be subject to further environ-*  
15           *mental analysis.*

16           “(C) *Exploration plans shall not be subject to*  
17           *any requirement to prepare an environmental impact*  
18           *statement, and the Secretary may find that explo-*  
19           *ration plans are eligible for categorical exclusion due*  
20           *to the impacts already being considered within an en-*  
21           *vironmental impact statement or due to mitigation*  
22           *measures included within the plan.*

23           “(D) *Within each OCS Planning Area, after the*  
24           *preparation of the first development and production*  
25           *plan environmental impact statement for a leased*



1       tract within the Area, future development and pro-  
2       duction plans for leased tracts within the Area shall  
3       only require the preparation of an environmental as-  
4       sessment unless the most recent development and pro-  
5       duction plan environmental impact statement within  
6       the Area was finalized more than 10 years prior to  
7       the date of the approval of the plan, in which case an  
8       environmental impact statement shall be required.”.

9   **SEC. 13. REVIEW OF OUTER CONTINENTAL SHELF DEVEL-**  
10                   **OPMENT AND PRODUCTION PLANS.**

11       Section 25 of the Outer Continental Shelf Lands Act  
12   (43 U.S.C. 1351(a)) is amended to read as follows:

13   **“SEC. 25. REVIEW OF OUTER CONTINENTAL SHELF DEVEL-**  
14                   **OPMENT AND PRODUCTION PLANS.**

15       “(a) *DEVELOPMENT AND PRODUCTION PLANS; SUB-*  
16   *MISSION TO SECRETARY; STATEMENT OF FACILITIES AND*  
17   *OPERATION; SUBMISSION TO GOVERNORS OF AFFECTED*  
18   *STATES AND LOCAL GOVERNMENTS.—*

19               “(1) *Prior to development and production pursu-*  
20   *ant to an oil and gas lease issued on or after Sep-*  
21   *tember 18, 1978, for any area of the outer Conti-*  
22   *mental Shelf, or issued or maintained prior to Sep-*  
23   *tember 18, 1978, for any area of the outer Conti-*  
24   *mental Shelf, with respect to which no oil or gas has*  
25   *been discovered in paying quantities prior to Sep-*

1        *tember 18, 1978, the lessee shall submit a development*  
2        *and production plan (hereinafter in this section re-*  
3        *ferred to as a ‘plan’) to the Secretary for review.*

4                *“(2) A plan shall be accompanied by a statement*  
5        *describing all facilities and operations, other than*  
6        *those on the outer Continental Shelf, proposed by the*  
7        *lessee and known by the lessee (whether or not owned*  
8        *or operated by such lessee) that will be constructed or*  
9        *utilized in the development and production of oil or*  
10       *gas from the lease area, including the location and*  
11       *site of such facilities and operations, the land, labor,*  
12       *material, and energy requirements associated with*  
13       *such facilities and operations, and all environmental*  
14       *and safety safeguards to be implemented.*

15               *“(3) Except for any privileged or proprietary in-*  
16       *formation (as such term is defined in regulations*  
17       *issued by the Secretary), the Secretary, within 30*  
18       *days after receipt of a plan and statement, shall—*

19               *“(A) submit such plan and statement to the*  
20       *Governor of any affected State, and upon request*  
21       *to the executive of any affected local government;*  
22       *and*

23               *“(B) make such plan and statement avail-*  
24       *able to any appropriate interstate regional enti-*  
25       *ty and the public.*

1       “(b) *DEVELOPMENT AND PRODUCTION ACTIVITIES IN*  
2 *ACCORDANCE WITH PLAN AS LEASE REQUIREMENT.*—After  
3 *enactment of the Deep Ocean Energy Resources Act of 2006,*  
4 *no oil and gas lease may be issued pursuant to this Act*  
5 *in any region of the outer Continental Shelf, unless such*  
6 *lease requires that development and production activities*  
7 *be carried out in accordance with a plan that complies with*  
8 *the requirements of this section. This section shall also*  
9 *apply to leases that do not have an approved development*  
10 *and production plan as of the date of enactment of the Deep*  
11 *Ocean Energy Resources Act of 2006.*

12       “(c) *SCOPE AND CONTENTS OF PLAN.*—A plan may  
13 *apply to more than one oil and gas lease, and shall set forth,*  
14 *in the degree of detail established by regulations issued by*  
15 *the Secretary—*

16               “(1) *the general work to be performed;*

17               “(2) *a description of all facilities and operations*  
18 *located on the outer Continental Shelf that are pro-*  
19 *posed by the lessee or known by the lessee (whether or*  
20 *not owned or operated by such lessee) to be directly*  
21 *related to the proposed development, including the lo-*  
22 *cation and size of such facilities and operations, and*  
23 *the land, labor, material, and energy requirements as-*  
24 *sociated with such facilities and operations;*



1           “(3) *the environmental safeguards to be imple-*  
2           *mented on the outer Continental Shelf and how such*  
3           *safeguards are to be implemented;*

4           “(4) *all safety standards to be met and how such*  
5           *standards are to be met;*

6           “(5) *an expected rate of development and pro-*  
7           *duction and a time schedule for performance; and*

8           “(6) *such other relevant information as the Sec-*  
9           *retary may by regulation require.*

10          “(d) *COMPLETENESS REVIEW OF THE PLAN.—*

11           “(1) *Prior to commencing any activity under a*  
12           *development and production plan pursuant to any oil*  
13           *and gas lease issued or maintained under this Act,*  
14           *the lessee shall certify that the plan is consistent with*  
15           *the terms of the lease and that it is consistent with*  
16           *all statutory and regulatory requirements in effect on*  
17           *the date of issuance of the lease, and any regulations*  
18           *promulgated under this Act related to the conserva-*  
19           *tion of resources after the date of lease issuance. The*  
20           *plan shall include all required information and docu-*  
21           *mentation required under subsection (c).*

22           “(2) *The Secretary shall review the plan for com-*  
23           *pleteness within 30 days of submission. If the Sec-*  
24           *retary finds that the plan is not complete, the Sec-*  
25           *retary shall notify the lessee with a detailed expla-*

1        *nation of such modifications of such plan as are nec-*  
2        *essary to achieve completeness. The Secretary shall*  
3        *have 30 days to review a modified plan for complete-*  
4        *ness.*

5        *“(e) REVIEW FOR CONSISTENCY OF THE PLAN.—*

6                *“(1) After a determination that a plan is com-*  
7        *plete, the Secretary shall have 120 days to conduct a*  
8        *review of the plan, to ensure that it is consistent with*  
9        *the terms of the lease, and that it is consistent with*  
10       *all such statutory and regulatory requirements appli-*  
11       *cable to the lease. The review shall ensure that the*  
12       *plan is consistent with lease terms, and statutory and*  
13       *regulatory requirements applicable to the lease, re-*  
14       *lated to national security or national defense, includ-*  
15       *ing any military operating stipulations or other re-*  
16       *strictions. The Secretary shall seek the assistance of*  
17       *the Department of Defense in the conduct of the re-*  
18       *view of any plan prepared under this section for a*  
19       *lease containing military operating stipulations or*  
20       *other restrictions and shall accept the assistance of the*  
21       *Department of Defense in the conduct of the review of*  
22       *any plan prepared under this section for any other*  
23       *lease when the Secretary of Defense requests an oppor-*  
24       *tunity to participate in the review. If the Secretary*  
25       *finds that the plan is not consistent, the Secretary*



1       *shall notify the lessee with a detailed explanation of*  
2       *such modifications of such plan as are necessary to*  
3       *achieve consistency.*

4               “(2) *The Secretary shall have 120 days to review*  
5       *a modified plan.*

6               “(3) *The lessee shall not conduct any activities*  
7       *under the plan during any 120-day review period, or*  
8       *thereafter until the plan has been modified to achieve*  
9       *compliance as so notified.*

10              “(4) *After review by the Secretary provided for*  
11       *by this section, a lessee may operate pursuant to the*  
12       *plan without further review or approval by the Sec-*  
13       *retary.*

14              “(f) *REVIEW OF REVISION OF THE APPROVED PLAN.—*  
15       *The lessee may submit to the Secretary any revision of a*  
16       *plan if the lessee determines that such revision will lead*  
17       *to greater recovery of oil and natural gas, improve the effi-*  
18       *ciency, safety, and environmental protection of the recovery*  
19       *operation, is the only means available to avoid substantial*  
20       *economic hardship to the lessee, or is otherwise not incon-*  
21       *sistent with the provisions of this Act, to the extent such*  
22       *revision is consistent with protection of the human, marine,*  
23       *and coastal environments. The process to be used for the*  
24       *review of any such revision shall be the same as that set*  
25       *forth in subsections (d) and (e).*

1       “(g) *CANCELLATION OF LEASE ON FAILURE TO SUB-*  
2 *MIT PLAN OR COMPLY WITH A PLAN.*—Whenever the owner  
3 *of any lease fails to submit a plan in accordance with regu-*  
4 *lations issued under this section, or fails to comply with*  
5 *a plan, the lease may be canceled in accordance with section*  
6 *5(c) and (d). Termination of a lease because of failure to*  
7 *comply with a plan, including required modifications or*  
8 *revisions, shall not entitle a lessee to any compensation.*

9       “(h) *PRODUCTION AND TRANSPORTATION OF NATURAL*  
10 *GAS; SUBMISSION OF PLAN TO FEDERAL ENERGY REGU-*  
11 *LATORY COMMISSION; IMPACT STATEMENT.*—If any devel-  
12 *opment and production plan submitted to the Secretary*  
13 *pursuant to this section provides for the production and*  
14 *transportation of natural gas, the lessee shall contempora-*  
15 *neously submit to the Federal Energy Regulatory Commis-*  
16 *sion that portion of such plan that relates to the facilities*  
17 *for transportation of natural gas. The Secretary and the*  
18 *Federal Energy Regulatory Commission shall agree as to*  
19 *which of them shall prepare an environmental impact state-*  
20 *ment pursuant to the National Environmental Policy Act*  
21 *of 1969 (42 U.S.C. 4321 et seq.) applicable to such portion*  
22 *of such plan, or conduct studies as to the effect on the envi-*  
23 *ronment of implementing it. Thereafter, the findings and*  
24 *recommendations by the agency preparing such environ-*  
25 *mental impact statement or conducting such studies pursu-*

1 *ant to such agreement shall be adopted by the other agency,*  
2 *and such other agency shall not independently prepare an-*  
3 *other environmental impact statement or duplicate such*  
4 *studies with respect to such portion of such plan, but the*  
5 *Federal Energy Regulatory Commission, in connection*  
6 *with its review of an application for a certificate of public*  
7 *convenience and necessity applicable to such transportation*  
8 *facilities pursuant to section 7 of the Natural Gas Act (15*  
9 *U.S.C. 717f), may prepare such environmental studies or*  
10 *statement relevant to certification of such transportation fa-*  
11 *cilities as have not been covered by an environmental im-*  
12 *pact statement or studies prepared by the Secretary. The*  
13 *Secretary, in consultation with the Federal Energy Regu-*  
14 *latory Commission, shall promulgate rules to implement*  
15 *this subsection, but the Federal Energy Regulatory Com-*  
16 *mission shall retain sole authority with respect to rules and*  
17 *procedures applicable to the filing of any application with*  
18 *the Commission and to all aspects of the Commission's re-*  
19 *view of, and action on, any such application."*

20 **SEC. 14. FEDERAL ENERGY NATURAL RESOURCES EN-**  
21 **HANCEMENT FUND ACT OF 2006.**

22 *(a) FINDINGS.—The Congress finds the following:*

23 *(1) Energy and minerals exploration, develop-*  
24 *ment, and production on Federal onshore and offshore*  
25 *lands, including bio-based fuel, natural gas, minerals,*

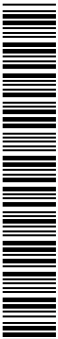
1       oil, geothermal, and power from wind, waves, cur-  
2       rents, and thermal energy, involves significant out-  
3       lays of funds by Federal and State wildlife, fish, and  
4       natural resource management agencies for environ-  
5       mental studies, planning, development, monitoring,  
6       and management of wildlife, fish, air, water, and  
7       other natural resources.

8               (2) State wildlife, fish, and natural resource  
9       management agencies are funded primarily through  
10      permit and license fees paid to the States by the gen-  
11      eral public to hunt and fish, and through Federal ex-  
12      cise taxes on equipment used for these activities.

13              (3) Funds generated from consumptive and rec-  
14      reational uses of wildlife, fish, and other natural re-  
15      sources currently are inadequate to address the nat-  
16      ural resources related to energy and minerals develop-  
17      ment on Federal onshore and offshore lands.

18              (4) Funds available to Federal agencies respon-  
19      sible for managing Federal onshore and offshore lands  
20      and Federal-trust wildlife and fish species and their  
21      habitats are inadequate to address the natural re-  
22      sources related to energy and minerals development  
23      on Federal onshore and offshore lands.

24              (5) Receipts derived from sales, bonus bids, and  
25      royalties under the mineral leasing laws of the United



1       *States are paid to the Treasury through the Minerals*  
2       *Management Service of the Department of the Inte-*  
3       *rior.*

4           *(6) None of the receipts derived from sales, bonus*  
5       *bids, and royalties under the minerals leasing laws of*  
6       *the United States are paid to the Federal or State*  
7       *agencies to examine, monitor, and manage wildlife,*  
8       *fish, air, water, and other natural resources related to*  
9       *natural gas, oil, and mineral exploration and devel-*  
10       *opment.*

11       *(b) PURPOSES.—It is the purpose of this section to—*

12           *(1) establish a fund for the monitoring and man-*  
13       *agement of wildlife and fish, and their habitats, and*  
14       *air, water, and other natural resources related to en-*  
15       *ergy and minerals development on Federal onshore*  
16       *and offshore lands;*

17           *(2) make available receipts derived from sales,*  
18       *bonus bids, royalties, and fees from onshore and off-*  
19       *shore gas, mineral, oil, and any additional form of*  
20       *energy and minerals development under the laws of*  
21       *the United States for the purposes of such fund;*

22           *(3) distribute funds from such fund each fiscal*  
23       *year to the Secretary of the Interior and the States;*  
24       *and*



1           (4) use the distributed funds to secure the nec-  
2       essary trained workforce or contractual services to  
3       conduct environmental studies, planning, develop-  
4       ment, monitoring, and post-development management  
5       of wildlife and fish and their habitats and air, water,  
6       and other natural resources that may be related to  
7       bio-based fuel, gas, mineral, oil, wind, or other energy  
8       exploration, development, transportation, trans-  
9       mission, and associated activities on Federal onshore  
10      and offshore lands, including, but not limited to—

11           (A) pertinent research, surveys, and envi-  
12      ronmental analyses conducted to identify any  
13      impacts on wildlife, fish, air, water, and other  
14      natural resources from energy and mineral ex-  
15      ploration, development, production, and trans-  
16      portation or transmission;

17           (B) projects to maintain, improve, or en-  
18      hance wildlife and fish populations and their  
19      habitats or air, water, or other natural resources,  
20      including activities under the Endangered Spe-  
21      cies Act of 1973;

22           (C) research, surveys, environmental anal-  
23      yses, and projects that assist in managing, in-  
24      cluding mitigating either onsite or offsite, or  
25      both, the impacts of energy and mineral activi-





1           *ties on wildlife, fish, air, water, and other nat-*  
2           *ural resources; and*

3                     *(D) projects to teach young people to live off*  
4           *the land.*

5       *(c) DEFINITIONS.—In this section:*

6                     *(1) ENHANCEMENT FUND.—The term “Enhance-*  
7           *ment Fund” means the Federal Energy Natural Re-*  
8           *sources Enhancement Fund established by subsection*  
9           *(d).*

10                    *(2) STATE.—The term “State” means the Gov-*  
11           *ernor of the State.*

12       *(d) ESTABLISHMENT AND USE OF FEDERAL ENERGY*  
13       *NATURAL RESOURCES ENHANCEMENT FUND.—*

14                    *(1) ENHANCEMENT FUND.—There is established*  
15           *in the Treasury a separate account to be known as*  
16           *the “Federal Energy Natural Resources Enhancement*  
17           *Fund”.*

18                    *(2) FUNDING.—The Secretary of the Treasury*  
19           *shall deposit in the Enhancement Fund—*

20                    *(A) such sums as are provided by sections*  
21           *9(b)(5)(A)(ii), 9(b)(5)(B)(ii), 9(c)(4)(A)(ii), and*  
22           *9(c)(4)(B)(ii) of the Outer Continental Shelf*  
23           *Lands Act, as amended by this Act;*

24                    *(B)(i) during the period of October 1, 2006,*  
25           *through September 30, 2015, one percent of all*

1           *sums paid into the Treasury under section 35 of*  
2           *the Mineral Leasing Act (30 U.S.C. 191), and*

3                     *(ii) beginning October 1, 2015, and there-*  
4           *after, 2.5 percent of all sums paid into the*  
5           *Treasury under section 35 of the Mineral Leas-*  
6           *ing Act (30 U.S.C. 191); and*

7                     *(C)(i) during the period of October 1, 2006,*  
8           *through September 30, 2015, one percent of all*  
9           *sums paid into the Treasury from receipts de-*  
10          *rived from bonus bids and royalties from other*  
11          *mineral leasing on public lands, and*

12                    *(ii) beginning October 1, 2015, and there-*  
13          *after, 2.5 percent of all sums paid into the*  
14          *Treasury from receipts derived from bonus bids*  
15          *and royalties from other mineral leasing on pub-*  
16          *lic lands.*

17                    *(3) INVESTMENTS.—The Secretary of the Treas-*  
18          *ury shall invest the amounts deposited under para-*  
19          *graph (2) and all accrued interest on the amounts de-*  
20          *posited under paragraph (2) only in interest bearing*  
21          *obligations of the United States or in obligations*  
22          *guaranteed as to both principal and interest by the*  
23          *United States.*

24                    *(4) PAYMENT TO SECRETARY OF THE INTE-*  
25          *RIOR.—*

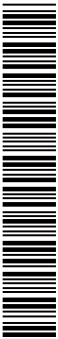


1           (A) *IN GENERAL.*—Beginning with fiscal  
2           year 2007, and in each fiscal year thereafter,  
3           one-third of amounts deposited into the Enhance-  
4           ment Fund, together with the interest thereon,  
5           shall be available, without fiscal year limita-  
6           tions, to the Secretary of the Interior for use for  
7           the purposes described in (b)(4).

8           (B) *WITHDRAWALS AND TRANSFER OF*  
9           *FUNDS.*—The Secretary of the Treasury shall  
10          withdraw such amounts from the Enhancement  
11          Fund as the Secretary of the Interior may re-  
12          quest, subject to the limitation in (A), and trans-  
13          fer such amounts to the Secretary of the Interior  
14          to be used, at the discretion of the Secretary of  
15          the Interior, by the Minerals Management Serv-  
16          ice, the Bureau of Land Management, and the  
17          United States Fish and Wildlife Service for use  
18          for the purposes described in subsection (b)(4).

19          (5) *PAYMENT TO STATES.*—

20          (A) *IN GENERAL.*—Beginning with fiscal  
21          year 2007, and in each fiscal year thereafter,  
22          two-thirds of amounts deposited into the En-  
23          hancement Fund, together with the interest there-  
24          on, shall be available, without fiscal year limita-



1           *tions, to the States for use for the purposes de-*  
2           *scribed in (b)(4).*

3                   (B) *WITHDRAWALS AND TRANSFER OF*  
4           *FUNDS.—Within the first 90 days of each fiscal*  
5           *year, the Secretary of the Treasury shall with-*  
6           *draw amounts from the Enhancement Fund and*  
7           *transfer such amounts to the States based on the*  
8           *proportion of all receipts that were collected the*  
9           *previous fiscal year from Federal leases within*  
10          *the boundaries of each State and each State's*  
11          *outer Continental Shelf Adjacent Zone as deter-*  
12          *mined in accordance with section 4(a) of the*  
13          *Outer Continental Shelf Lands Act (43 U.S.C.*  
14          *1333(a)), as amended by this Act.*

15                   (C) *USE OF PAYMENTS BY STATE.—Each*  
16          *State shall use the payments made under sub-*  
17          *paragraph (B) only for carrying out projects*  
18          *and programs for the purposes described in*  
19          *(b)(4).*

20                   (D) *ENCOURAGE USE OF PRIVATE FUNDS BY*  
21          *STATE.—Each State shall use the payments*  
22          *made under subparagraph (B) to leverage pri-*  
23          *ivate funds for carrying out projects for the pur-*  
24          *poses described in (b)(4).*



1       (e) *LIMITATION ON USE.*—Amounts available under  
2   this section may not be used for the purchase of any interest  
3   in land.

4       (f) *REPORTS TO CONGRESS.*—

5           (1) *IN GENERAL.*—Beginning in fiscal year 2008  
6   and continuing for each fiscal year thereafter, the  
7   Secretary of the Interior and each State receiving  
8   funds from the Enhancement Fund shall submit a re-  
9   port to the Committee on Energy and Natural Re-  
10   sources of the Senate and the Committee on Resources  
11   of the House of Representatives.

12          (2) *REQUIRED INFORMATION.*—Reports sub-  
13   mitted to the Congress by the Secretary of the Interior  
14   and States under this subsection shall include the fol-  
15   lowing information regarding expenditures during the  
16   previous fiscal year:

17           (A) A summary of pertinent scientific re-  
18   search and surveys conducted to identify impacts  
19   on wildlife, fish, and other natural resources  
20   from energy and mineral developments.

21           (B) A summary of projects planned and  
22   completed to maintain, improve or enhance wild-  
23   life and fish populations and their habitats or  
24   other natural resources.

1           (C) *A list of additional actions that assist,*  
2           *or would assist, in managing, including miti-*  
3           *gating either onsite or offsite, or both, the im-*  
4           *pacts of energy and mineral development on*  
5           *wildlife, fish, and other natural resources.*

6           (D) *A summary of private (non-Federal)*  
7           *funds used to plan, conduct, and complete the*  
8           *plans and programs identified in paragraphs*  
9           *(2)(A) and (2)(B).*

10 **SEC. 15. TERMINATION OF EFFECT OF LAWS PROHIBITING**  
11 **THE SPENDING OF APPROPRIATED FUNDS**  
12 **FOR CERTAIN PURPOSES.**

13       *All provisions of existing Federal law prohibiting the*  
14 *spending of appropriated funds to conduct oil and natural*  
15 *gas leasing and preleasing activities, or to issue a lease to*  
16 *any person, for any area of the outer Continental Shelf shall*  
17 *have no force or effect.*

18 **SEC. 16. OUTER CONTINENTAL SHELF INCOMPATIBLE USE.**

19       (a) *IN GENERAL.*—*No Federal agency may permit*  
20 *construction or operation (or both) of any facility, or des-*  
21 *ignate or maintain a restricted transportation corridor or*  
22 *operating area on the Federal outer Continental Shelf or*  
23 *in State waters, that will be incompatible with, as deter-*  
24 *mined by the Secretary of the Interior, oil and gas or nat-*  
25 *ural gas leasing and substantially full exploration and pro-*



1 *duction of tracts that are geologically prospective for oil or*  
2 *natural gas (or both).*

3 (b) *EXCEPTIONS.*—*Subsection (a) shall not apply to*  
4 *any facility, transportation corridor, or operating area the*  
5 *construction, operation, designation, or maintenance of*  
6 *which is or will be—*

7 (1) *located in an area of the outer Continental*  
8 *Shelf that is unavailable for oil and gas or natural*  
9 *gas leasing by operation of law;*

10 (2) *used for a military readiness activity (as de-*  
11 *fined in section 315(f) of Public Law 107–314; 16*  
12 *U.S.C. 703 note); or*

13 (3) *required in the national interest, as deter-*  
14 *mined by the President.*

15 **SEC. 17. REPURCHASE OF CERTAIN LEASES.**

16 (a) *AUTHORITY TO REPURCHASE AND CANCEL CER-*  
17 *TAIN LEASES.*—*The Secretary of the Interior shall repur-*  
18 *chase and cancel any Federal oil and gas, geothermal, coal,*  
19 *oil shale, tar sands, or other mineral lease, whether onshore*  
20 *or offshore, if the Secretary finds that such lease qualifies*  
21 *for repurchase and cancellation under the regulations au-*  
22 *thorized by this section.*

23 (b) *REGULATIONS.*—*Not later than 365 days after the*  
24 *date of the enactment of this Act, the Secretary shall publish*  
25 *a final regulation stating the conditions under which a*

1 *lease referred to in subsection (a) would qualify for repur-*  
2 *chase and cancellation, and the process to be followed re-*  
3 *garding repurchase and cancellation. Such regulation shall*  
4 *include, but not be limited to, the following:*

5 *(1) The Secretary shall repurchase and cancel a*  
6 *lease after written request by the lessee upon a finding*  
7 *by the Secretary that—*

8 *(A) a request by the lessee for a required*  
9 *permit or other approval complied with applica-*  
10 *ble law, except the Coastal Zone Management*  
11 *Act of 1972 (16 U.S.C. 1451 et seq.), and terms*  
12 *of the lease and such permit or other approval*  
13 *was denied;*

14 *(B) a Federal agency failed to act on a re-*  
15 *quest by the lessee for a required permit, other*  
16 *approval, or administrative appeal within a reg-*  
17 *ulatory or statutory time-frame associated with*  
18 *the requested action, whether advisory or manda-*  
19 *tory, or if none, within 180 days; or*

20 *(C) a Federal agency attached a condition*  
21 *of approval, without agreement by the lessee, to*  
22 *a required permit or other approval if such con-*  
23 *dition of approval was not mandated by Federal*  
24 *statute or regulation in effect on the date of lease*





1           *issuance, or was not specifically allowed under*  
2           *the terms of the lease.*

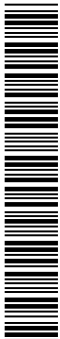
3           *(2) A lessee shall not be required to exhaust ad-*  
4           *ministrative remedies regarding a permit request, ad-*  
5           *ministrative appeal, or other required request for ap-*  
6           *proval for the purposes of this section.*

7           *(3) The Secretary shall make a final agency de-*  
8           *cision on a request by a lessee under this section with-*  
9           *in 180 days of request.*

10          *(4) Compensation to a lessee to repurchase and*  
11          *cancel a lease under this section shall be the amount*  
12          *that a lessee would receive in a restitution case for a*  
13          *material breach of contract.*

14          *(5) Compensation shall be in the form of a check*  
15          *or electronic transfer from the Department of the*  
16          *Treasury from funds deposited into miscellaneous re-*  
17          *ceipts under the authority of the same Act that au-*  
18          *thorized the issuance of the lease being repurchased.*

19          *(6) Failure of the Secretary to make a final*  
20          *agency decision on a request by a lessee under this*  
21          *section within 180 days of request shall result in a*  
22          *10 percent increase in the compensation due to the*  
23          *lessee if the lease is ultimately repurchased.*



1       (c) *NO PREJUDICE.*—*This section shall not be inter-*  
2 *preted to prejudice any other rights that the lessee would*  
3 *have in the absence of this section.*

4       **SEC. 18. OFFSITE ENVIRONMENTAL MITIGATION.**

5       *Notwithstanding any other provision of law, any per-*  
6 *son conducting activities under the Mineral Leasing Act (30*  
7 *U.S.C. 181 et seq.), the Geothermal Steam Act (30 U.S.C.*  
8 *1001 et seq.), the Mineral Leasing Act for Acquired Lands*  
9 *(30 U.S.C. 351 et seq.), the Weeks Act (16 U.S.C. 552 et*  
10 *seq.), the General Mining Act of 1872 (30 U.S.C. 22 et seq.),*  
11 *the Materials Act of 1947 (30 U.S.C. 601 et seq.), or the*  
12 *Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.),*  
13 *may in satisfying any mitigation requirements associated*  
14 *with such activities propose mitigation measures on a site*  
15 *away from the area impacted and the Secretary of the Inte-*  
16 *rior shall accept these proposed measures if the Secretary*  
17 *finds that they generally achieve the purposes for which*  
18 *mitigation measures appertained.*

19       **SEC. 19. AMENDMENTS TO THE MINERAL LEASING ACT.**

20       *Section 17(g) of the Mineral Leasing Act (30 U.S.C.*  
21 *226(g)) is amended to read as follows:*

22       “(g) *REGULATION OF SURFACE-DISTURBING ACTIVI-*  
23 *TIES.*—

24               “(1) *REGULATION OF SURFACE-DISTURBING AC-*  
25 *TIVITIES.*—*The Secretary of the Interior, or for Na-*



1        *tional Forest lands, the Secretary of Agriculture, shall*  
2        *regulate all surface-disturbing activities conducted*  
3        *pursuant to any lease issued under this Act, and shall*  
4        *determine reclamation and other actions as required*  
5        *in the interest of conservation of surface resources.*

6                *“(2) SUBMISSION OF EXPLORATION PLAN; COM-*  
7        *PLETION REVIEW; COMPLIANCE REVIEW.—*

8                *“(A) Prior to beginning oil and gas explo-*  
9        *ration activities, a lessee shall submit an explo-*  
10       *ration plan to the Secretary of the Interior for*  
11       *review.*

12               *“(B) The Secretary shall review the plan for*  
13       *completeness within 10 days of submission.*

14               *“(C) In the event the exploration plan is de-*  
15       *termined to be incomplete, the Secretary shall*  
16       *notify the lessee in writing and specify the items*  
17       *or information needed to complete the explo-*  
18       *ration plan.*

19               *“(D) The Secretary shall have 10 days to*  
20       *review any modified exploration plan submitted*  
21       *by the lessee.*

22               *“(E) To be deemed complete, an exploration*  
23       *plan shall include, in the degree of detail to be*  
24       *determined by the Secretary by rule or*  
25       *regulation—*



1                   “(i) a drilling plan containing a de-  
2                   scription of the drilling program;

3                   “(ii) the surface and projected comple-  
4                   tion zone location;

5                   “(iii) pertinent geologic data;

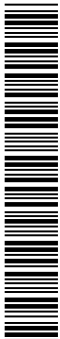
6                   “(iv) expected hazards, and proposed  
7                   mitigation measures to address such haz-  
8                   ards;

9                   “(v) a schedule of anticipated explo-  
10                  ration activities to be undertaken;

11                  “(vi) a description of equipment to be  
12                  used for such activities;

13                  “(vii) a certification from the lessee  
14                  stating that the exploration plan complies  
15                  with all lease, regulatory and statutory re-  
16                  quirements in effect on the date of the  
17                  issuance of the lease and any regulations  
18                  promulgated after the date of lease issuance  
19                  related to the conservation of resources;

20                  “(viii) evidence that the lessee has se-  
21                  cured an adequate bond, surety, or other fi-  
22                  nancial arrangement prior to commence-  
23                  ment of any surface disturbing activity;



1                   “(ix) a plan that details the complete  
2                   and timely reclamation of the lease tract;  
3                   and

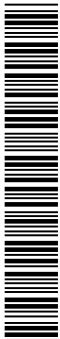
4                   “(x) such other relevant information as  
5                   the Secretary may by regulation require.

6                   “(F) Upon a determination that the explo-  
7                   ration plan is complete, the Secretary shall have  
8                   30 days from the date the plan is deemed com-  
9                   plete to conduct a review of the plan.

10                  “(G) If the Secretary finds the exploration  
11                  plan is not consistent with all statutory and reg-  
12                  ulatory requirements described in subparagraph  
13                  (E)(vii), the Secretary shall notify the lessee with  
14                  a detailed explanation of such modifications of  
15                  the exploration plan as are necessary to achieve  
16                  compliance.

17                  “(H) The lessee shall not take any action  
18                  under the exploration plan within a 30 day re-  
19                  view period, or thereafter until the plan has been  
20                  modified to achieve compliance as so notified.

21                  “(I) After review by the Secretary provided  
22                  by this subsection, a lessee may operate pursuant  
23                  to the plan without further review or approval  
24                  by the Secretary.



1           “(3) *PLAN REVISIONS; CONDUCT OF EXPLO-*  
2           *RATION ACTIVITIES.—*

3           “(A) *If a significant revision of an explo-*  
4           *ration plan under this subsection is submitted to*  
5           *the Secretary, the process to be used for the re-*  
6           *view of such revision shall be the same as set*  
7           *forth in paragraph (1) of this subsection.*

8           “(B) *All exploration activities pursuant to*  
9           *any lease shall be conducted in accordance with*  
10          *an exploration plan that has been submitted to*  
11          *and reviewed by the Secretary or a revision of*  
12          *such plan.*

13          “(4) *SUBMISSION OF DEVELOPMENT AND PRO-*  
14          *DUCTION PLAN; COMPLETENESS REVIEW; COMPLIANCE*  
15          *REVIEW.—*

16          “(A) *Prior to beginning oil and gas devel-*  
17          *opment and production activities, a lessee shall*  
18          *submit a development and exploration plan to*  
19          *the Secretary of the Interior. Upon submission,*  
20          *such plans shall be subject to a review for com-*  
21          *pleteness.*

22          “(B) *The Secretary shall review the plan for*  
23          *completeness within 30 days of submission.*

24          “(C) *In the event a development and pro-*  
25          *duction plan is determined to be incomplete, the*

1        *Secretary shall notify the lessee in writing and*  
2        *specify the items or information needed to com-*  
3        *plete the plan.*

4                *“(D) The Secretary shall have 30 days to*  
5        *review for completeness any modified develop-*  
6        *ment and production plan submitted by the les-*  
7        *see.*

8                *“(E) To be deemed complete, a development*  
9        *and production plan shall include, in the degree*  
10       *of detail to be determined by the Secretary by*  
11       *rule or regulation—*

12                *“(i) a drilling plan containing a de-*  
13       *scription of the drilling program;*

14                *“(ii) the surface and projected comple-*  
15       *tion zone location;*

16                *“(iii) pertinent geologic data;*

17                *“(iv) expected hazards, and proposed*  
18       *mitigation measures to address such haz-*  
19       *ards;*

20                *“(v) a statement describing all facili-*  
21       *ties and operations proposed by the lessee*  
22       *and known by the lessee (whether or not*  
23       *owned or operated by such lessee) that shall*  
24       *be constructed or utilized in the develop-*  
25       *ment and production of oil or gas from the*



1            *leases areas, including the location and site*  
2            *of such facilities and operations, the land,*  
3            *labor, material, and energy requirements*  
4            *associated with such facilities and oper-*  
5            *ations;*

6            *“(vi) the general work to be performed;*

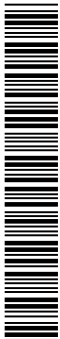
7            *“(vii) the environmental safeguards to*  
8            *be implemented in connection with the de-*  
9            *velopment and production and how such*  
10           *safeguards are to be implemented;*

11           *“(viii) all safety standards to be met*  
12           *and how such standards are to be met;*

13           *“(ix) an expected rate of development*  
14           *and production and a time schedule for per-*  
15           *formance;*

16           *“(x) a certification from the lessee stat-*  
17           *ing that the development and production*  
18           *plan complies with all lease, regulatory,*  
19           *and statutory requirements in effect on the*  
20           *date of issuance of the lease, and any regu-*  
21           *lations promulgated after the date of lease*  
22           *issuance related to the conservation of re-*  
23           *sources;*

24           *“(xi) evidence that the lessee has se-*  
25           *cured an adequate bond, surety, or other fi-*





1                    *nancial arrangement prior to commence-*  
2                    *ment of any surface disturbing activity;*

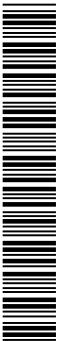
3                    *“(xii) a plan that details the complete*  
4                    *and timely reclamation of the lease tract;*  
5                    *and*

6                    *“(xiii) such other relevant information*  
7                    *as the Secretary may by regulation require.*

8                    *“(F) Upon a determination that the devel-*  
9                    *opment and production plan is complete, the*  
10                   *Secretary shall have 120 days from the date the*  
11                   *plan is deemed complete to conduct a review of*  
12                   *the plan.*

13                   *“(G) If the Secretary finds the development*  
14                   *and production plan is not consistent with all*  
15                   *statutory and regulatory requirements described*  
16                   *in subparagraph (E)(x), the Secretary shall no-*  
17                   *tify the lessee with a detailed explanation of such*  
18                   *modifications of the development and production*  
19                   *plan as are necessary to achieve compliance.*

20                   *“(H) The lessee shall not take any action*  
21                   *under the development and production plan*  
22                   *within a 120 day review period, or thereafter*  
23                   *until the plan has been modified to achieve com-*  
24                   *pliance as so notified.*



1           “(5) *PLAN REVISIONS; CONDUCT OF DEVELOP-*  
2           *MENT AND PRODUCTION ACTIVITIES.*—

3           “(A) *If a significant revision of a develop-*  
4           *ment and production plan under this subsection*  
5           *is submitted to the Secretary, the process to be*  
6           *used for the review of such revision shall be the*  
7           *same as set forth in paragraph (4) of this sub-*  
8           *section.*

9           “(B) *All development and production ac-*  
10          *tivities pursuant to any lease shall be conducted*  
11          *in accordance with a development and produc-*  
12          *tion plan that has been submitted to and re-*  
13          *viewed by the Secretary or a revision of such*  
14          *plan.*

15          “(6) *CANCELLATION OF LEASE ON FAILURE TO*  
16          *SUBMIT PLAN OR COMPLY WITH APPROVED PLAN.*—  
17          *Whenever the owner of any lease fails to submit a*  
18          *plan in accordance with regulations issued under this*  
19          *section, or fails to comply with a plan, the lease may*  
20          *be canceled in accordance with section 31. Termi-*  
21          *nation of a lease because of failure to comply with a*  
22          *plan, including required modifications or revisions,*  
23          *shall not entitle a lessee to any compensation.”.*



1 **SEC. 20. MINERALS MANAGEMENT SERVICE.**

2       *The bureau known as the “Minerals Management Serv-*  
3 *ice” in the Department of the Interior shall be known as*  
4 *the “National Ocean Resources and Royalty Service”.*

5 **SEC. 21. AUTHORITY TO USE DECOMMISSIONED OFFSHORE**  
6 **OIL AND GAS PLATFORMS AND OTHER FA-**  
7 **CILITIES FOR ARTIFICIAL REEF, SCIENTIFIC**  
8 **RESEARCH, OR OTHER USES.**

9       (a) *SHORT TITLE.*—*This section may be cited as the*  
10 *“Rigs to Reefs Act of 2006”.*

11       (b) *IN GENERAL.*—*The Outer Continental Shelf Lands*  
12 *Act (43 U.S.C. 1301 et seq.) is amended by inserting after*  
13 *section 9 the following:*

14 **“SEC. 10. USE OF DECOMMISSIONED OFFSHORE OIL AND**  
15 **GAS PLATFORMS AND OTHER FACILITIES FOR**  
16 **ARTIFICIAL REEF, SCIENTIFIC RESEARCH, OR**  
17 **OTHER USES.**

18       “(a) *IN GENERAL.*—*The Secretary shall issue regula-*  
19 *tions under which the Secretary may authorize use of an*  
20 *offshore oil and gas platform or other facility that is decom-*  
21 *missioned from service for oil and gas purposes for an arti-*  
22 *ficial reef, scientific research, or any other use authorized*  
23 *under section 8(p) or any other applicable Federal law.*

24       “(b) *TRANSFER REQUIREMENTS.*—*The Secretary shall*  
25 *not allow the transfer of a decommissioned offshore oil and*  
26 *gas platform or other facility to another person unless the*

1 *Secretary is satisfied that the transferee is sufficiently bond-*  
2 *ed, endowed, or otherwise financially able to fulfill its obli-*  
3 *gations, including but not limited to—*

4           “(1) ongoing maintenance of the platform or  
5       other facility;

6           “(2) any liability obligations that might arise;

7           “(3) removal of the platform or other facility if  
8       determined necessary by the Secretary; and

9           “(4) any other requirements and obligations that  
10      the Secretary may deem appropriate by regulation.

11       “(c) *PLUGGING AND ABANDONMENT.*—*The Secretary*  
12 *shall ensure that plugging and abandonment of wells is ac-*  
13 *complished at an appropriate time.*

14       “(d) *POTENTIAL TO PETITION TO OPT-OUT OF REGU-*  
15 *LATIONS.*—*An Adjacent State acting through a resolution*  
16 *of its legislature, with concurrence of its Governor, may pre-*  
17 *liminarily petition to opt-out of the application of regula-*  
18 *tions promulgated under this section to platforms and other*  
19 *facilities located in the area of its Adjacent Zone within*  
20 *12 miles of the coastline. Upon receipt of the preliminary*  
21 *petition, the Secretary shall complete an environmental as-*  
22 *essment that documents the anticipated environmental ef-*  
23 *fects of approving the petition. The Secretary shall provide*  
24 *the environmental assessment to the State, which then has*  
25 *the choice of no action or confirming its petition by further*

1 *action of its legislature, with the concurrence of its Gov-*  
2 *ernor. The Secretary is authorized to except such area from*  
3 *the application of such regulations, and shall approve any*  
4 *confirmed petition.*

5 “(e) *LIMITATION ON LIABILITY.—A person that had*  
6 *used an offshore oil and gas platform or other facility for*  
7 *oil and gas purposes and that no longer has any ownership*  
8 *or control of the platform or other facility shall not be liable*  
9 *under Federal law for any costs or damages arising from*  
10 *such platform or other facility after the date the platform*  
11 *or other facility is used for any purpose under subsection*  
12 *(a), unless such costs or damages arise from—*

13 “(1) *use of the platform or other facility by the*  
14 *person for development or production of oil or gas; or*

15 “(2) *another act or omission of the person.*

16 “(f) *OTHER LEASING AND USE NOT AFFECTED.—This*  
17 *section, and the use of any offshore oil and gas platform*  
18 *or other facility for any purpose under subsection (a), shall*  
19 *not affect—*

20 “(1) *the authority of the Secretary to lease any*  
21 *area under this Act; or*

22 “(2) *any activity otherwise authorized under this*  
23 *Act.”.*

24 (c) *DEADLINE FOR REGULATIONS.—The Secretary of*  
25 *the Interior shall issue regulations under subsection (b) by*

1 *not later than 180 days after the date of the enactment of*  
2 *this Act.*

3       (d) *STUDY AND REPORT ON EFFECTS OF REMOVAL OF*  
4 *PLATFORMS.*—*Not later than one year after the date of en-*  
5 *actment of this Act, the Secretary of the Interior, in con-*  
6 *sultation with other Federal agencies as the Secretary deems*  
7 *advisable, shall study and report to the Congress regarding*  
8 *how the removal of offshore oil and gas platforms and other*  
9 *facilities from the outer Continental Shelf would affect ex-*  
10 *isting fish stocks and coral populations.*

11 **SEC. 22. REPEAL OF REQUIREMENT TO CONDUCT COM-**  
12 **PREHENSIVE INVENTORY OF OCS OIL AND**  
13 **NATURAL GAS RESOURCES.**

14       *The Energy Policy Act of 2005 (Public Law 109–58)*  
15 *is amended—*

16           (1) *by repealing section 357 (119 Stat. 720; 42*  
17 *U.S.C. 15912); and*

18           (2) *in the table of contents in section 1(b), by*  
19 *striking the item relating to such section 357.*

20 **SEC. 23. MINING AND PETROLEUM SCHOOLS.**

21       (a) *FEDERAL ENERGY AND MINERAL RESOURCES*  
22 *PROFESSIONAL DEVELOPMENT FUND.*—

23           (1) *PROFESSIONAL DEVELOPMENT FUND.*—*There*  
24 *is established in the Treasury a separate account to*  
25 *be known as the “Federal Energy And Mineral Re-*

1       sources *Professional Development Fund*” (in this sec-  
2       tion referred to as the “*Professional Development*  
3       *Fund*”).

4               (2) *FUNDING.*—*The Secretary of the Treasury*  
5       shall deposit in the *Professional Development Fund*—

6               (A) such sums as are provided by sections  
7       9(b)(5)(A)(iii), 9(b)(5)(B)(iii), 9(c)(4)(A)(iii),  
8       and 9(c)(4)(B)(iii) of the *Outer Continental*  
9       *Shelf Lands Act*, as amended by this Act;

10              (B)(i) during the period of October 1, 2006,  
11       through September 30, 2015, one percent of all  
12       sums paid into the Treasury under section 35 of  
13       the *Mineral Leasing Act* (30 U.S.C. 191), and

14              (ii) beginning October 1, 2015, and there-  
15       after, 2.5 percent of all sums paid into the  
16       Treasury under section 35 of the *Mineral Leas-*  
17       *ing Act* (30 U.S.C. 191);

18              (C)(i) during the period of October 1, 2006,  
19       through September 30, 2015, one percent of all  
20       sums paid into the Treasury from receipts de-  
21       rived from bonus bids and royalties from other  
22       mineral leasing on public lands, and

23              (ii) beginning October 1, 2015, and there-  
24       after, 2.5 percent of all sums paid into the  
25       Treasury from receipts derived from bonus bids



1           *and royalties from other mineral leasing on pub-*  
2           *lic lands;*

3           *(D) donations received under paragraph*  
4           *(4);*

5           *(E) amounts referred to in section 2325 of*  
6           *the Revised Statutes; and*

7           *(F) funds received under section 10 of the*  
8           *Energy and Mineral Schools Reinvestment Act,*  
9           *as amended by this Act.*

10          (3) *INVESTMENTS.—The Secretary of the Treas-*  
11          *ury shall invest the amounts deposited under para-*  
12          *graph (2) and all accrued interest on the amounts de-*  
13          *posited under paragraph (2) only in interest bearing*  
14          *obligations of the United States or in obligations*  
15          *guaranteed as to both principal and interest by the*  
16          *United States.*

17          (4) *DONATIONS.—The Secretary of the Interior*  
18          *may solicit and accept donations of funds for deposit*  
19          *into the Professional Development Fund.*

20          (5) *AVAILABILITY TO SECRETARY OF THE INTE-*  
21          *RIOR.—*

22                 (A) *IN GENERAL.—Beginning with fiscal*  
23                 *year 2007, and in each fiscal year thereafter, the*  
24                 *amounts deposited into the Professional Develop-*  
25                 *ment Fund, together with the interest thereon,*



1           *shall be available, without fiscal year limita-*  
2           *tions, to the Secretary of the Interior for use to*  
3           *carry out the Energy and Mineral Schools Rein-*  
4           *vestment Act.*

5                   (B) *WITHDRAWALS AND TRANSFER OF*  
6           *FUNDS.—The Secretary of the Treasury shall*  
7           *withdraw such amounts from the Professional*  
8           *Development Fund as the Secretary of the Inte-*  
9           *rior may request and transfer such amounts to*  
10          *the Secretary of the Interior to be used, at the*  
11          *discretion of the Secretary to carry out the En-*  
12          *ergy and Mineral Schools Reinvestment Act.*

13          (b) *MAINTENANCE AND RESTORATION OF EXISTING*  
14          *AND HISTORIC PETROLEUM AND MINING ENGINEERING*  
15          *PROGRAMS.—Public Law 98–409 (30 U.S.C. 1221 et seq.)*  
16          *is amended to read as follows:*

17          **“SECTION 1. SHORT TITLE.**

18                 *“This Act may be cited as the ‘Energy and Mineral*  
19                 *Schools Reinvestment Act’.*

20          **“SEC. 2. POLICY.**

21                 *“It is the policy of the United States to maintain the*  
22                 *human capital needed to preserve and foster the economic,*  
23                 *energy, and mineral resources security of the United States.*  
24                 *The petroleum and mining engineering programs and the*  
25                 *applied geology and geophysics programs at State chartered*

1 *schools, universities, and institutions that produce human*  
2 *capital are national assets and should be assisted with Fed-*  
3 *eral funds to ensure their continued health and existence.*

4 **“SEC. 3. MAINTAINING AND RESTORING HISTORIC AND EX-**  
5 **ISTING PETROLEUM AND MINING ENGINEER-**  
6 **ING EDUCATION PROGRAMS.**

7 *“(a) Using the funds in the Federal Energy And Min-*  
8 *eral Resources Professional Development Fund, the Sec-*  
9 *retary of the Interior (in this Act referred to as the ‘Sec-*  
10 *retary’) shall provide funds to each historic and existing*  
11 *State-chartered recognized petroleum or mining school to*  
12 *assist such schools, universities, and institutions in main-*  
13 *taining programs in petroleum, mining, and mineral engi-*  
14 *neering education and research. All funds shall be directed*  
15 *only to these programs and shall be subject to the conditions*  
16 *of this section. Such funds shall not be less than 33 percent*  
17 *of the annual outlay of funds under this Act.*

18 *“(b) In this Act the term ‘historic and existing State-*  
19 *chartered recognized petroleum or mining school’ means a*  
20 *school, university, or educational institution with the pres-*  
21 *ence of an engineering program meeting the specific pro-*  
22 *gram criteria, established by the member societies of ABET,*  
23 *Inc., for petroleum, mining, or mineral engineering and*  
24 *that is accredited on the date of enactment of the Deep*  
25 *Ocean Energy Resources Act of 2006 by ABET, Inc.*



1       “(c) *It shall be the duty of each school, university, or*  
2 *institution receiving funds under this section to provide for*  
3 *and enhance the training of undergraduate and graduate*  
4 *petroleum, mining, and mineral engineers through research,*  
5 *investigations, demonstrations, and experiments. All such*  
6 *work shall be carried out in a manner that will enhance*  
7 *undergraduate education.*

8       “(d) *Each school, university, or institution receiving*  
9 *funds under this Act shall maintain the program for which*  
10 *the funds are provided for 10 years after the date of the*  
11 *first receipt of such funds and take steps agreed to by the*  
12 *Secretary to increase the number of undergraduate students*  
13 *enrolled in and completing the programs of study in petro-*  
14 *leum, mining, and mineral engineering.*

15       “(e) *The research, investigation, demonstration, exper-*  
16 *iment, and training authorized by this section may include*  
17 *development and production of conventional and non-con-*  
18 *ventional fuel resources, the production of metallic and non-*  
19 *metallic mineral resources including industrial mineral re-*  
20 *sources, and the production of stone, sand, and gravel. In*  
21 *all cases the work carried out with funds made available*  
22 *under this Act shall include a significant opportunity for*  
23 *participation by undergraduate students.*

24       “(f) *Research funded by this Act related to energy and*  
25 *mineral resource development and production may include*



1 *studies of petroleum, mining, and mineral extraction and*  
2 *immediately related beneficiation technology; mineral eco-*  
3 *nomics, reclamation technology and practices for active op-*  
4 *erations, and the development of re-mining systems and*  
5 *technologies to facilitate reclamation that fosters the ulti-*  
6 *mate recovery of resources at abandoned petroleum, mining,*  
7 *and aggregate production sites.*

8       “(g) *Grants for basic science and engineering studies*  
9 *and research shall not require additional participation by*  
10 *funding partners. Grants for studies to demonstrate the*  
11 *proof of concept for science and engineering or the dem-*  
12 *onstration of feasibility and implementation shall include*  
13 *participation by industry and may include funding from*  
14 *other Federal agencies.*

15       “(h)(1) *No funds made available under this section*  
16 *shall be applied to the acquisition by purchase or lease of*  
17 *any land or interests therein, or the rental, purchase, con-*  
18 *struction, preservation, or repair of any building.*

19       “(2) *Funding made available under this section may*  
20 *be used with the express approval of the Secretary for pro-*  
21 *posals that will provide for maintaining or upgrading of*  
22 *existing laboratories and laboratory equipment. Funding*  
23 *for such maintenance shall not be used for university over-*  
24 *head expenses.*



1       “(3) *Funding made available under this Act may be*  
2 *used for maintaining and upgrading mines and oil and*  
3 *gas drilling rigs owned by a school, university, or institu-*  
4 *tion described in this section that are used for under-*  
5 *graduate and graduate training and worker safety train-*  
6 *ing. All requests for funding such mines and oil and gas*  
7 *drilling rigs must demonstrate that they have been owned*  
8 *by the school, university, or institution for 5 years prior*  
9 *to the date of enactment of the Deep Ocean Energy Re-*  
10 *sources Act of 2006 and have been actively used for instruc-*  
11 *tional or training purposes during that time.*

12       “(4) *Any funding made available under this section*  
13 *for research, investigation, demonstration, experiment, or*  
14 *training shall not be used for university overhead charges*  
15 *in excess of 10 percent of the amount authorized by the Sec-*  
16 *retary.*

17       **“SEC. 4. FORMER AND NEW PETROLEUM AND MINING ENGI-**  
18                   **NEERING PROGRAMS.**

19       “A school, university, or educational institution that  
20 formerly met the requirements of section 3(b) immediately  
21 before the date of the enactment of the Deep Ocean Energy  
22 Resources Act of 2006, or that seeks to establish a new pro-  
23 gram described in section 3(b), shall be eligible for funding  
24 under this Act only if it—



1           “(1) establishes a petroleum, mining, or mineral  
2           engineering program that meets the specific program  
3           criteria and is accredited as such by ABET, Inc.;

4           “(2) agrees to the conditions of subsections (c)  
5           through (h) of section 3 and the Secretary, as advised  
6           by the Committee established by section 11, deter-  
7           mines that the program will strengthen and increase  
8           the number of nationally available, well- qualified  
9           faculty members in petroleum, mining, and mineral  
10          engineering; and

11          “(3) agrees to maintain the accredited program  
12          for 10 years after the date of the first receipt of funds  
13          under this Act.

14   **“SEC. 5. FUNDING OF CONSORTIA OF HISTORIC AND EXIST-**  
15                   **ING SCHOOLS.**

16          “Where appropriate, the Secretary may make funds  
17          available to consortia of schools, universities, or institutions  
18          described in sections 3, 4, and 6, including those consortia  
19          that include schools, universities, or institutions that are  
20          ineligible for funds under this Act if those schools, univer-  
21          sities, or institutions, respectively, have skills, programs, or  
22          facilities specifically identified as needed by the consortia  
23          to meet the necessary expenses for purposes of—

24               “(1) specific energy and mineral research  
25               projects of broad application that could not otherwise

1        *be undertaken, including the expenses of planning*  
2        *and coordinating regional petroleum, geothermal,*  
3        *mining, and mineral engineering or beneficiation*  
4        *projects by two or more schools; and*

5            *“(2) research into any aspects of petroleum, geo-*  
6        *thermal, mining, or mineral engineering or*  
7        *beneficiation problems, including but not limited to*  
8        *exploration, that are related to the mission of the De-*  
9        *partment of the Interior and that are considered by*  
10       *the Committee to be desirable.*

11    **“SEC. 6. SUPPORT FOR SCHOOLS WITH ENERGY AND MIN-**  
12                    **ERAL RESOURCE PROGRAMS IN PETROLEUM**  
13                    **AND MINERAL EXPLORATION GEOLOGY, PE-**  
14                    **TROLEUM GEOPHYSICS, OR MINING GEO-**  
15                    **PHYSICS.**

16        *“(a) Twenty percent of the annual outlay of funds*  
17        *under this Act may be granted to schools, universities, and*  
18        *institutions other than those described in sections 3 and 4.*

19        *“(b) The Secretary, as advised by the Committee estab-*  
20        *lished by section 11, shall determine the eligibility of a col-*  
21        *lege or university to receive funding under this Act using*  
22        *criteria that include—*

23            *“(1) the presence of a substantial program of un-*  
24        *dergraduate and graduate geoscience instruction and*  
25        *research in one or more of the following specialties:*

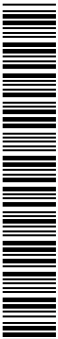
1        *petroleum geology, geothermal geology, mineral explo-*  
2        *ration geology, economic geology, industrial minerals*  
3        *geology, mining geology, petroleum geophysics, min-*  
4        *ing geophysics, geological engineering, or geophysical*  
5        *engineering that has a demonstrated history of*  
6        *achievement;*

7                *“(2) evidence of institutional commitment for the*  
8        *purposes of this Act that includes a significant oppor-*  
9        *tunity for participation by undergraduate students in*  
10       *research;*

11               *“(3) evidence that such school, university, or in-*  
12       *stitution has or can obtain significant industrial co-*  
13       *operation in activities within the scope of this Act;*

14               *“(4) agreement by the school, university, or in-*  
15       *stitution to maintain the programs for which the*  
16       *funding is sought for the 10-year period beginning on*  
17       *the date the school, university, or institution first re-*  
18       *ceives such funds; and*

19               *“(5) requiring that such funding shall be for the*  
20       *purposes set forth in subsections (c) through (h) of*  
21       *section 3 and subject to the conditions set forth in sec-*  
22       *tion 3(h).*





1   **“SEC. 7. DESIGNATION OF FUNDS FOR SCHOLARSHIPS AND**  
2                   **FELLOWSHIPS.**

3           “(a) *The Secretary shall utilize 19 percent of the an-*  
4   *nual outlay of funds under this Act for the purpose of pro-*  
5   *viding merit-based scholarships for undergraduate edu-*  
6   *cation, graduate fellowships, and postdoctoral fellowships.*

7           “(b) *In order to receive a scholarship or a graduate*  
8   *fellowship, an individual student must be a lawful perma-*  
9   *nent resident of the United States or a United States citizen*  
10   *and must agree in writing to complete a course of studies*  
11   *and receive a degree in petroleum, mining, or mineral engi-*  
12   *neering, petroleum geology, geothermal geology, mining and*  
13   *economic geology, petroleum and mining geophysics, or*  
14   *mineral economics.*

15          “(c) *The regulations required by section 9 shall require*  
16   *that an individual, in order to retain a scholarship or grad-*  
17   *uate fellowship, must continue in one of the course of studies*  
18   *listed in subsection (b) of this section, must remain in good*  
19   *academic standing, as determined by the school, institution,*  
20   *or university and must allow for reinstatement of the schol-*  
21   *arship or graduate fellowship by the Secretary, upon the*  
22   *recommendation of the school or institution. Such regula-*  
23   *tions may also provide for recovery of funds from an indi-*  
24   *vidual who fails to complete any of the courses of study*  
25   *listed in subsection (b) of this section after notice that such*



1 *completion is a requirement of receipt funding under this*  
2 *Act.*

3 **“SEC. 8. FUNDING CRITERIA FOR INSTITUTIONS.**

4       “(a) *Each application for funds under this Act shall*  
5 *state, among other things, the nature of the project to be*  
6 *undertaken; the period during which it will be pursued; the*  
7 *qualifications of the personnel who will direct and conduct*  
8 *it; the estimated costs; the importance of the project to the*  
9 *Nation, region, or States concerned; its relation to other*  
10 *known research projects theretofore pursued or being pur-*  
11 *sued; the extent to which the proposed project will maximize*  
12 *the opportunity for the training of undergraduate petro-*  
13 *leum, mining, and mineral engineers; geologists and geo-*  
14 *physicists; and the extent of participation by nongovern-*  
15 *mental sources in the project.*

16       “(b) *No funds shall be made available under this Act*  
17 *except for a project approved by the Secretary. All funds*  
18 *shall be made available upon the basis of merit of the*  
19 *project, the need for the knowledge that it is expected to*  
20 *produce when completed, and the opportunity it provides*  
21 *for the undergraduate training of individuals as petroleum,*  
22 *mining, and mineral engineers, geologists, and geo-*  
23 *physicists.*

24       “(c) *Funds available under this Act shall be paid at*  
25 *such times and in such amounts during each fiscal year*



1 *as determined by the Secretary, and upon vouchers ap-*  
2 *proved by the Secretary. Each school, university, or institu-*  
3 *tion that receives funds under this Act shall—*

4           “(1) *establish its plan to provide for the training*  
5 *of individuals as petroleum, mining, and mineral en-*  
6 *gineers, geologists, and geophysicists under a cur-*  
7 *riculum appropriate to the field of mineral resources*  
8 *and mineral engineering and related fields;*

9           “(2) *establish policies and procedures that assure*  
10 *that Federal funds made available under this Act for*  
11 *any fiscal year will supplement and, to the extent*  
12 *practicable, increase the level of funds that would, in*  
13 *the absence of such Federal funds, be made available*  
14 *for purposes of this Act, and in no case supplant such*  
15 *funds; and*

16           “(3) *have an officer appointed by its governing*  
17 *authority who shall receive and account for all funds*  
18 *paid under this Act and shall make an annual report*  
19 *to the Secretary on or before the first day of Sep-*  
20 *tember of each year, on work accomplished and the*  
21 *status of projects underway, together with a detailed*  
22 *statement of the amounts received under this Act dur-*  
23 *ing the preceding fiscal year, and of its disbursements*  
24 *on schedules prescribed by the Secretary.*



1       “(d) If any of the funds received by the authorized re-  
2 ceiving officer of a program under this Act are found by  
3 the Secretary to have been improperly diminished, lost, or  
4 misapplied, such funds shall be recovered by the Secretary.

5       “(e) Schools, universities, and institutions receiving  
6 funds under this Act are authorized and encouraged to plan  
7 and conduct programs under this Act in cooperation with  
8 each other and with such other agencies, business enterprises  
9 and individuals.

10   **“SEC. 9. DUTIES OF SECRETARY.**

11       “(a) The Secretary, acting through the Assistant Sec-  
12 retary for Land and Minerals Management, shall admin-  
13 ister this Act and shall prescribe such rules and regulations  
14 as may be necessary to carry out its provisions not later  
15 than 1 year after the enactment of the Deep Ocean Energy  
16 Resources Act of 2006.

17       “(b)(1) There is established in the Department of the  
18 Interior, under the supervision of the Assistant Secretary  
19 for Land and Minerals Management, an office to be known  
20 as the Office of Petroleum and Mining Schools (hereafter  
21 in this Act referred to as the ‘Office’) to administer the pro-  
22 visions of this Act. There shall be a Director of the Office  
23 who shall be a member of the Senior Executive Service. The  
24 position of the Director shall be allocated from among the  
25 existing Senior Executive Service positions at the Depart-



1 *ment of the Interior and shall be a career reserved position*  
2 *as defined in section 3132(a)(8) of title 5, United States*  
3 *Code.*

4       “(2) *The Director is authorized to appoint a Deputy*  
5 *Director and to employ such officers and employees as may*  
6 *be necessary to enable the Office to carry out its functions,*  
7 *not to exceed fifteen. Such appointments shall be made from*  
8 *existing positions at the Department of the Interior, and*  
9 *shall be subject to the provisions of title 5, United States*  
10 *Code, governing appointments in the competitive service.*  
11 *Such positions shall be paid in accordance with the provi-*  
12 *sions of chapter 51 and subchapter III of chapter 53 of such*  
13 *title relating to classification and General Schedule pay*  
14 *rates.*

15       “(3) *In carrying out his or her functions, the Director*  
16 *shall assist and advise the Secretary and the Committee es-*  
17 *tablished by section 11 of this Act by*

18               “(A) *providing professional and administrative*  
19 *staff support for the Committee including record-*  
20 *keeping and maintaining minutes of all Committee*  
21 *and subcommittee meetings;*

22               “(B) *coordinating the activities of the Committee*  
23 *with Federal agencies and departments, and the*  
24 *schools, universities, and institutions to which funds*  
25 *are provided under this Act;*

1           “(C) maintaining accurate records of funds dis-  
2           bursed for all scholarships, fellowships, research  
3           grants, and grants for career technical education pur-  
4           poses;

5           “(D) preparing any regulations required to im-  
6           plement this Act;

7           “(E) conducting site visits at schools, univer-  
8           sities, and institutions receiving funding under this  
9           Act; and

10          “(F) serving as a central repository for reports  
11          and clearing house for public information on research  
12          funded by this Act.

13          “(4) The Director or an employee of the Office shall  
14          be present at each meeting of the Committee established by  
15          section 11 or a subcommittee of such Committee.

16          “(5) The Director is authorized to contract with public  
17          or private agencies, institutions, and organizations and  
18          with individuals without regard to section 3324(a) and (b)  
19          of title 31, United States Code, and section 5 of title 41,  
20          United States Code, in carrying out his or her functions.

21          “(6) As needed the Director shall ascertain whether the  
22          requirements of this Act have been met by schools, univer-  
23          sities, institutions, and individuals, including the payment  
24          of any revenues derived from patents into the fund created  
25          by section 23(a) of this Act as required by section 10(d).

1       “(c) *The Secretary, acting through the Office of Petro-*  
2 *leum and Mining Schools, shall furnish such advice and*  
3 *assistance as will best promote the purposes of this Act,*  
4 *shall participate in coordinating research, investigations,*  
5 *demonstrations, and experiments initiated under this Act,*  
6 *shall indicate to schools, universities, and institutions re-*  
7 *ceiving funds under this Act such lines of inquiry that seem*  
8 *most important, and shall encourage and assist in the es-*  
9 *tablishment and maintenance of cooperation between such*  
10 *schools, universities, and institutions, other research orga-*  
11 *nizations, the Department of the Interior, and other Federal*  
12 *agencies.*

13       “(d) *The Secretary shall establish procedures—*

14               “(1) *to ensure that each employee and contractor*  
15 *of the Office established by this section and each mem-*  
16 *ber of the committee established by section 11 of this*  
17 *Act shall disclose to the Secretary any financial inter-*  
18 *ests in or financial relationships with schools, univer-*  
19 *sities, institutions or individuals receiving funds,*  
20 *scholarships or fellowships under this Act;*

21               “(2) *to require any employee, contractor, or*  
22 *member of the committee with a financial relation-*  
23 *ship disclosed under paragraph (1) to recuse them-*  
24 *selves from—*

1           “(A) any recommendation or decision re-  
2           garding the awarding of funds, scholarships or  
3           fellowships; or

4           “(B) any review, report, analysis or inves-  
5           tigation regarding compliance with the provi-  
6           sions of this Act by a school, university, institu-  
7           tion or any individual.

8           “(e) On or before the first day of July of each year  
9           beginning after the date of enactment of this sentence,  
10          schools, universities, and institutions receiving funds under  
11          this Act shall certify compliance with this Act and upon  
12          request of the Director of the office established by this section  
13          provide documentation of such compliance.

14          “(f) An individual granted a scholarship or fellowship  
15          with funds provided under this Act shall through their re-  
16          spective school, university, or institution, advise the Direc-  
17          tor of the office established by this Act of progress towards  
18          completion of the course of studies and upon the awarding  
19          of the degree within 30 days after the award.

20          “(g) The regulations required by this section shall in-  
21          clude a preference for veterans and service members who  
22          have received or will receive either the Afghanistan Cam-  
23          paign Medal or the Iraq Campaign Medal as authorized  
24          by Public Law 108–234, and Executive Order 13363.





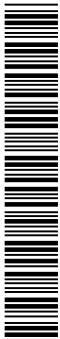
1   **“SEC. 10. COORDINATION.**

2           “(a) *Nothing in this Act shall be construed to impair*  
3 *or modify the legal relationship existing between any of the*  
4 *schools, universities, and institutions under whose direction*  
5 *a program is established with funds provided under this*  
6 *Act and the government of the State in which it is located.*  
7 *Nothing in this Act shall in any way be construed to au-*  
8 *thorize Federal control or direction of education at any*  
9 *school, university, or institution.*

10          “(b) *The programs authorized by this Act are intended*  
11 *to enhance the Nation’s petroleum, mining, and mineral en-*  
12 *gineering education programs and to enhance educational*  
13 *programs in petroleum and mining exploration and to in-*  
14 *crease the number of individuals enrolled in and completing*  
15 *these programs. To achieve this intent, the Secretary and*  
16 *the Committee established by section 11 shall receive the*  
17 *continuing advice and cooperation of all agencies of the*  
18 *Federal Government concerned with the identification, ex-*  
19 *ploration, and development of energy and mineral re-*  
20 *sources.*

21          “(c) *Nothing in this Act is intended to give or shall*  
22 *be construed as giving the Secretary any authority over*  
23 *mining and mineral resources research conducted by any*  
24 *agency of the Federal Government, or as repealing or di-*  
25 *minishing existing authorities or responsibilities of any*  
26 *agency of the Federal Government to plan and conduct, con-*

1 *tract for, or assist in research in its area of responsibility*  
2 *and concern with regard to mining and mineral resources.*  
3       “(d) *The schools, universities, and institutions receiv-*  
4 *ing funding under this Act shall make detailed reports to*  
5 *the Office of Petroleum and Mining Schools on projects com-*  
6 *pleted, in progress, or planned with funds provided under*  
7 *this Act. All such reports shall available to the public on*  
8 *not less than an annual basis through the Office of Petro-*  
9 *leum and Mining Schools. All uses, products, processes, pat-*  
10 *ents, and other developments resulting from any research,*  
11 *demonstration, or experiment funded in whole or in part*  
12 *under this Act shall be made available promptly to the gen-*  
13 *eral public, subject to exception or limitation, if any, as*  
14 *the Secretary may find necessary in the interest of national*  
15 *security. Schools, universities, and institutions receiving*  
16 *patents for inventions funded in whole or in part under*  
17 *this Act shall be governed by the applicable Federal law,*  
18 *except that one percent of gross annual revenues due to the*  
19 *holders of the patents that are derived from such patents*  
20 *shall be paid by the holders of the patents to the Federal*  
21 *Energy and Mineral Resources Professional Development*  
22 *Fund established by section 23(a) of the Deep Ocean Energy*  
23 *Resources Act of 2006.*



1 **“SEC. 11. COMMITTEE ON PETROLEUM, MINING, AND MIN-**  
2 **ERAL ENGINEERING AND ENERGY AND MIN-**  
3 **ERAL RESOURCE EDUCATION.**

4 *“(a) The Secretary shall appoint a Committee on Pe-*  
5 *troleum, Mining, and Mineral Engineering and Energy*  
6 *and Mineral Resource Education composed of—*

7 *“(1) the Assistant Secretary of the Interior re-*  
8 *sponsible for land and minerals management and not*  
9 *more than 16 other persons who are knowledgeable in*  
10 *the fields of mining and mineral resources research,*  
11 *including 2 university administrators one of whom*  
12 *shall be from historic and existing petroleum and*  
13 *mining schools; a community, technical, or tribal col-*  
14 *lege administrator; a career technical education edu-*  
15 *cator; 6 representatives equally distributed from the*  
16 *petroleum, mining, and aggregate industries; a work-*  
17 *ing miner; a working oilfield worker; a representative*  
18 *of the Interstate Oil and Gas Compact Commission;*  
19 *a representative from the Interstate Mining Compact*  
20 *Commission; a representative from the Western Gov-*  
21 *ernors Association; a representative of the State geolo-*  
22 *gists, and a representative of a State mining and rec-*  
23 *lamation agency. In making these 16 appointments,*  
24 *the Secretary shall consult with interested groups.*

25 *“(2) The Assistant Secretary for Land and Min-*  
26 *erals Management, in the capacity of the Chairman*

1       *of the Committee, may have present during meetings*  
2       *of the Committee representatives of Federal agencies*  
3       *with responsibility for energy and minerals resources*  
4       *management, energy and mineral resource investiga-*  
5       *tions, energy and mineral commodity information,*  
6       *international trade in energy and mineral commod-*  
7       *ities, mining safety regulation and mine safety re-*  
8       *search, and research into the development, production,*  
9       *and utilization of energy and mineral commodities.*  
10      *These representatives shall serve as technical advisors*  
11      *to the committee and shall have no voting responsibil-*  
12      *ities.*

13      “(b) *The Committee shall consult with, and make rec-*  
14      *ommendations to, the Secretary on all matters relating to*  
15      *funding energy and mineral resources research, the award-*  
16      *ing of scholarships and fellowships and allocation of fund-*  
17      *ing made under this Act. The Secretary shall consult with*  
18      *and carefully consider recommendations of the Committee*  
19      *in such matters.*

20      “(c) *Committee members, other than officers or em-*  
21      *ployees of Federal, State, or local governments, shall be, for*  
22      *each day (including traveltime) during which they are per-*  
23      *forming Committee business, paid at a rate fixed by the*  
24      *Secretary but not in excess of the daily equivalent of the*  
25      *maximum rate of pay for level IV of the Executive Schedule*

1 *under section 5136 of title 5, United States Code, and shall*  
2 *be fully reimbursed for travel, subsistence, and related ex-*  
3 *penses.*

4       “(d) *The Committee shall be chaired by the Assistant*  
5 *Secretary of the Interior responsible for land and minerals*  
6 *management. There shall also be elected a Vice Chairman*  
7 *by the Committee from among the members referred to in*  
8 *this section. The Vice Chairman shall perform such duties*  
9 *as are determined to be appropriate by the committee, ex-*  
10 *cept that the Chairman of the Committee must personally*  
11 *preside at all meetings of the full Committee. The Com-*  
12 *mittee may organize itself into such subcommittees as the*  
13 *Committee may deem appropriate.*

14       “(e) *Following completion of the report required by*  
15 *section 385 of the Energy Policy Act of 2005, the Committee*  
16 *shall consider the recommendations of the report, ongoing*  
17 *efforts in the schools, universities, and institutions receiving*  
18 *funding under this Act, the Federal and State Governments,*  
19 *and the private sector, and shall formulate and recommend*  
20 *to the Secretary a national plan for a program utilizing*  
21 *the fiscal resources provided under this Act. The Committee*  
22 *shall submit such plan to the Secretary for approval. Upon*  
23 *approval, the plan shall guide the Secretary and the Com-*  
24 *mittee in their actions under this Act.*



1       “(f) *Section 10 of the Federal Advisory Committee Act*  
2   *(5 U.S.C. App. 2) shall not apply to the Committee.*

3   **“SEC. 12. CAREER TECHNICAL EDUCATION.**

4       “(a) *Up to 25 percent of the annual outlay of funds*  
5   *under this Act may be granted to schools or institutions*  
6   *including, but not limited to, colleges, universities, commu-*  
7   *nity colleges, tribal colleges, technical institutes, and sec-*  
8   *ondary schools, other than those described in sections 3, 4,*  
9   *5, and 6.*

10       “(b) *The Secretary, as advised by the Committee estab-*  
11   *lished under section 11, shall determine the eligibility of*  
12   *a school or institution to receive funding under this section*  
13   *using criteria that include—*

14               “(1) *the presence of a State-approved program in*  
15       *mining engineering technology, petroleum engineering*  
16       *technology, industrial engineering technology, or in-*  
17       *dustrial technology that—*

18                       “(A) *is focused on technology and its use in*  
19       *energy and mineral production and related*  
20       *maintenance, operational safety, or energy infra-*  
21       *structure protection and security;*

22                       “(B) *prepares students for advanced or su-*  
23       *pervisory roles in the mining industry or the pe-*  
24       *troleum industry; and*

1                   “(C) grants either an associate’s degree or a  
2                   baccalaureate degree in one of the subjects listed  
3                   in subparagraph (A);

4                   “(2) the presence of a program, including a sec-  
5                   ondary school vocational education program or career  
6                   academy, that provides training for individuals en-  
7                   tering the petroleum, coal mining, or mineral mining  
8                   industries; or

9                   “(3) the presence of a State-approved program of  
10                  career technical education at a secondary school, of-  
11                  fered cooperatively with a community college in one  
12                  of the industrial sectors of—

13                   “(A) agriculture, forestry, or fisheries;

14                   “(B) utilities;

15                   “(C) construction;

16                   “(D) manufacturing; and

17                   “(E) transportation and warehousing.

18                  “(c) Schools or institutions receiving funds under this  
19                  section must show evidence of an institutional commitment  
20                  for the purposes of career technical education and provide  
21                  evidence that the school or institution has received or will  
22                  receive industry cooperation in the form of equipment, em-  
23                  ployee time, or donations of funds to support the activities  
24                  that are within the scope of this section.

1       “(d) *Schools or institutions receiving funds under this*  
2 *section must agree to maintain the programs for which the*  
3 *funding is sought for a period of 10 years beginning on*  
4 *the date the school or institution receives such funds, unless*  
5 *the Secretary finds that a shorter period of time is appro-*  
6 *priate for the local labor market or is required by State*  
7 *authorities.*

8       “(e) *Schools or institutions receiving funds under this*  
9 *section may combine these funds with State funds, and*  
10 *other Federal funds where allowed by law, to carry out pro-*  
11 *grams described in this section, however the use of the funds*  
12 *received under this section must be reported to the Secretary*  
13 *not less than annually.*

14       **“SEC. 13. DEPARTMENT OF THE INTERIOR WORKFORCE EN-**  
15                   **HANCEMENT.**

16       “(a) *PHYSICAL SCIENCE, ENGINEERING AND TECH-*  
17 *NOLOGY SCHOLARSHIP PROGRAM.—*

18               “(1) *From the funds made available to carry out*  
19 *this section, the Secretary shall use 30 percent of that*  
20 *amount to provide financial assistance for education*  
21 *in physical sciences, engineering, and engineering or*  
22 *industrial technology and disciplines that, as deter-*  
23 *mined by the Secretary, are critical to the functions*  
24 *of the Department of the Interior and are needed in*  
25 *the Department of the Interior workforce.*



1           “(2) *The Secretary of the Interior may award a*  
2           *scholarship in accordance with this section to a per-*  
3           *son who—*

4                     “(A) *is a citizen of the United States;*

5                     “(B) *is pursuing an undergraduate or ad-*  
6                     *vanced degree in a critical skill or discipline de-*  
7                     *scribed in paragraph (1) at an institution of*  
8                     *higher education; and*

9                     “(C) *enters into a service agreement with*  
10            *the Secretary of the Interior as described in sub-*  
11            *section (e).*

12           “(3) *The amount of the financial assistance pro-*  
13            *vided under a scholarship awarded to a person under*  
14            *this subsection shall be the amount determined by the*  
15            *Secretary of the Interior as being necessary to pay all*  
16            *educational expenses incurred by that person, includ-*  
17            *ing tuition, fees, cost of books, laboratory expenses,*  
18            *and expenses of room and board. The expenses paid,*  
19            *however, shall be limited to those educational expenses*  
20            *normally incurred by students at the institution of*  
21            *higher education involved.*

22           “(b) *SCHOLARSHIP PROGRAM FOR STUDENTS AT-*  
23            *TENDING MINORITY SERVING HIGHER EDUCATION INSTI-*  
24            *TUTIONS.—*



1           “(1) *From the funds made available to carry out*  
2           *this section, the Secretary shall use 25 percent of that*  
3           *amount to award scholarships in accordance with this*  
4           *section to persons who—*

5                     “(A) *are enrolled in a Minority Serving*  
6                     *Higher Education Institutions.*

7                     “(B) *are citizens of the United States;*

8                     “(C) *are pursuing an undergraduate or ad-*  
9                     *vanced degree in agriculture, engineering, engi-*  
10                    *neering or industrial technology, or physical*  
11                    *sciences, or other discipline that is found by the*  
12                    *Secretary to be critical to the functions of the*  
13                    *Department of the Interior and are needed in the*  
14                    *Department of the Interior workforce; and*

15                    “(D) *enter into a service agreement with the*  
16                    *Secretary of the Interior as described in sub-*  
17                    *section (e).*

18           “(2) *The amount of the financial assistance pro-*  
19           *vided under a scholarship awarded to a person under*  
20           *this subsection shall be the amount determined by the*  
21           *Secretary of the Interior as being necessary to pay all*  
22           *educational expenses incurred by that person, includ-*  
23           *ing tuition, fees, cost of books, laboratory expenses,*  
24           *and expenses of room and board. The expenses paid,*  
25           *however, shall be limited to those educational expenses*



1       *normally incurred by students at the institution of*  
2       *higher education involved.*

3       “(c) *EDUCATION PARTNERSHIPS WITH MINORITY*  
4 *SERVING HIGHER EDUCATION INSTITUTIONS.*—

5               “(1) *The Secretary shall require the director of*  
6       *each Bureau and Office, to foster the participation of*  
7       *Minority Serving Higher Education Institutions in*  
8       *any regulatory activity, land management activity,*  
9       *science activity, engineering or industrial technology*  
10       *activity, or engineering activity carried out by the*  
11       *Department of the Interior.*

12              “(2) *From the funds made available to carry out*  
13       *this section, the Secretary shall use 25 percent of that*  
14       *amount to support activities at Minority Serving*  
15       *Higher Education Institutions by—*

16              “(A) *funding faculty and students in these*  
17       *institutions in collaborative research projects*  
18       *that are directly related to the Departmental or*  
19       *Bureau missions;*

20              “(B) *allowing equipment transfer to Minor-*  
21       *ity Serving Higher Education Institutions as a*  
22       *part of a collaborative research program directly*  
23       *related to a Departmental or Bureau mission;*

24              “(C) *allowing faculty and students at these*  
25       *Minority Serving Higher Education Institutions*



1           *to participate Departmental and Bureau train-*  
2           *ing activities;*

3           “(D) *funding paid internships in Depart-*  
4           *mental and Bureau facilities for students at Mi-*  
5           *nority Serving Higher Education Institutions;*

6           “(E) *assigning Departmental and Bureau*  
7           *personnel to positions located at Minority Serv-*  
8           *ing Higher Educational Institutions to serve as*  
9           *mentors to students interested in a science, tech-*  
10          *nology or engineering disciplines related to the*  
11          *mission of the Department or the Bureaus.*

12          “(d) *KINDERGARTEN THROUGH GRADE TWELVE*  
13          *SCIENCE EDUCATION ENHANCEMENT PROGRAM.—*

14               “(1) *From the funds made available to carry out*  
15               *this section, the Secretary shall use 20 percent of that*  
16               *amount to support activities designed to enhance the*  
17               *knowledge and expertise of teachers of basic sciences,*  
18               *mathematics, engineering and technology in Kinder-*  
19               *garten through Grade Twelve programs.*

20               “(2) *The Secretary is authorized to—*

21                       “(A) *support competitive events for students*  
22                       *under the supervision of teachers that are de-*  
23                       *signed to encourage student interest and knowl-*  
24                       *edge in science, engineering, technology and*  
25                       *mathematics;*



1           “(B) support competitively-awarded, peer-  
2           reviewed programs to promote professional devel-  
3           opment for mathematics, science, engineering  
4           and technology teachers who teach in grades  
5           from kindergarten through grade 12;

6           “(C) support summer internships at De-  
7           partment facilities, for mathematics, science, en-  
8           gineering and technology teachers who teach in  
9           grades from kindergarten through grade 12; and

10          “(D) sponsor and assist in sponsoring edu-  
11          cational and teacher training activities in sub-  
12          ject areas identified as critical skills.

13          “(e) *SERVICE AGREEMENT FOR RECIPIENTS OF AS-*  
14          *SISTANCE.*—

15          “(1) To receive financial assistance under sub-  
16          section (a) and subsection (b) of this section—

17               “(A) in the case of an employee of the De-  
18               partment of the Interior, the employee shall enter  
19               into a written agreement to continue in the em-  
20               ployment of the department for the period of ob-  
21               ligated service determined under paragraph (2);  
22               and

23               “(B) in the case of a person not an em-  
24               ployee of the Department of the Interior, the per-  
25               son shall enter into a written agreement to ac-



1           *cept and continue employment in the Depart-*  
2           *ment of the Interior for the period of obligated*  
3           *service determined under paragraph (2).*

4           “(2) *For the purposes of this section, the period*  
5           *of obligated service for a recipient of a scholarship*  
6           *under this section shall be the period determined by*  
7           *the Secretary of the Interior as being appropriate to*  
8           *obtain adequate service in exchange for the financial*  
9           *assistance provided under the scholarship. In no event*  
10          *may the period of service required of a recipient be*  
11          *less than the total period of pursuit of a degree that*  
12          *is covered by the scholarship. The period of obligated*  
13          *service is in addition to any other period for which*  
14          *the recipient is obligated to serve in the civil service*  
15          *of the United States.*

16          “(3) *An agreement entered into under this sub-*  
17          *section by a person pursuing an academic degree*  
18          *shall include any terms and conditions that the Sec-*  
19          *retary of the Interior determines necessary to protect*  
20          *the interests of the United States or otherwise appro-*  
21          *priate for carrying out this section.*

22          “(f) *REFUND FOR PERIOD OF UNSERVED OBLIGATED*  
23          *SERVICE.—*

24          “(1) *A person who voluntarily terminates service*  
25          *before the end of the period of obligated service re-*

1        *quired under an agreement entered into under sub-*  
2        *section (e) shall refund to the United States an*  
3        *amount determined by the Secretary of the Interior as*  
4        *being appropriate to obtain adequate service in ex-*  
5        *change for financial assistance.*

6            *“(2) An obligation to reimburse the United*  
7        *States imposed under paragraph (1) is for all pur-*  
8        *poses a debt owed to the United States.*

9            *“(3) The Secretary of the Interior may waive, in*  
10       *whole or in part, a refund required under paragraph*  
11       *(1) if the Secretary determines that recovery would be*  
12       *against equity and good conscience or would be con-*  
13       *trary to the best interests of the United States.*

14           *“(4) A discharge in bankruptcy under title 11,*  
15       *United States Code, that is entered less than five*  
16       *years after the termination of an agreement under*  
17       *this section does not discharge the person signing such*  
18       *agreement from a debt arising under such agreement*  
19       *or under this subsection.*

20           *“(g) RELATIONSHIP TO OTHER PROGRAMS.—The Sec-*  
21       *retary of the Interior shall coordinate the provision of fi-*  
22       *nancial assistance under the authority of this section with*  
23       *the provision of financial assistance under the authorities*  
24       *provided in this Act in order to maximize the benefits de-*



1 rived by the Department of Interior from the exercise of all  
2 such authorities.

3 “(h) *REPORT.*—Not later than September 1 of each  
4 year, the Secretary of the Interior shall submit to the Com-  
5 mittee on Resources of the House of Representatives and the  
6 Committee on Energy and Natural Resources of the Senate  
7 a report on the status of the assistance program carried out  
8 under this section. The report shall describe the programs  
9 within the Department designed to recruit and retain a  
10 workforce on a short-term basis and on a long-term basis.

11 “(i) *DEFINITIONS.*—As used in this section:

12 “(1) The term ‘Minority Serving Higher Edu-  
13 cation Institutions’ means a Hispanic-serving insti-  
14 tution, historically Black college or university, Alaska  
15 Native-serving institution, or tribal college.

16 “(2) The term ‘Hispanic-serving institution’ has  
17 the meaning given the term in section 502(a) of the  
18 Higher Education Act of 1965 (20 U.S.C. 1101a(a)).

19 “(3) The term ‘historically Black college or uni-  
20 versity’ has the meaning given the term ‘part B insti-  
21 tution’ in section 322 of the Higher Education Act of  
22 1965 (20 U.S.C. 1061).

23 “(4) The term ‘tribal college’ has the meaning  
24 given the term ‘tribally controlled college or univer-





1        *sity’ in section 2(a) of the Tribally Controlled College*  
2        *Assistance Act of 1978 (25 U.S.C. 1801(a)).*

3            “(5) *The term ‘institution of higher education’*  
4        *has the meaning given such term in section 101 of the*  
5        *Higher Education Act of 1965 (20 U.S.C. 1001).*

6            “(6) *The term ‘Alaska Native-serving institution’*  
7        *has the meaning given the term in section 317 of the*  
8        *Higher Education Act of 1965 (20 U.S.C. 1059d).*

9            “(j) *FUNDING.—The Secretary shall spend 3 percent*  
10       *of the annual outlay under this Act to implement this sec-*  
11       *tion not to exceed \$10,000,000.”.*

12    **SEC. 24. ONSHORE AND OFFSHORE MINERAL LEASE FEES.**

13        *Except as otherwise provided in this Act, the Depart-*  
14       *ment of the Interior is prohibited from charging fees appli-*  
15       *cable to actions on Federal onshore and offshore oil and gas,*  
16       *coal, geothermal, and other mineral leases, including trans-*  
17       *portation of any production from such leases, if such fees*  
18       *were not established in final regulations prior to the date*  
19       *of issuance of the lease.*

20    **SEC. 25. OCS REGIONAL HEADQUARTERS.**

21        *The headquarters for the Gulf of Mexico Region shall*  
22       *permanently be located within the State of Louisiana with-*  
23       *in 25 miles of the center of Jackson Square, New Orleans,*  
24       *Louisiana. Further, not later than July 1, 2008, the Sec-*  
25       *retary of the Interior shall establish the headquarters for*



1 *the Atlantic OCS Region and the headquarters for the Pa-*  
2 *cific OCS Region within a State bordering the Atlantic*  
3 *OCS Region and a State bordering the Pacific OCS Region,*  
4 *respectively, from among the States bordering those Re-*  
5 *gions, that petitions by no later than January 1, 2008, for*  
6 *leasing, for oil and gas or natural gas, covering at least*  
7 *40 percent of the area of its Adjacent Zone within 100 miles*  
8 *of the coastline. Such Atlantic and Pacific OCS Regions*  
9 *headquarters shall be located within 25 miles of the coast-*  
10 *line and each MMS OCS regional headquarters shall be the*  
11 *permanent duty station for all Minerals Management Serv-*  
12 *ice personnel that on a daily basis spend on average 60*  
13 *percent or more of their time in performance of duties in*  
14 *support of the activities of the respective Region, except that*  
15 *the Minerals Management Service may house regional in-*  
16 *spection staff in other locations. Each OCS Region shall*  
17 *each be led by a Regional Director who shall be an employee*  
18 *within the Senior Executive Service.*

19 **SEC. 26. NATIONAL GEO FUND ACT OF 2006.**

20 (a) *SHORT TITLE.*—*This section may be cited as the*  
21 *“National Geo Fund Act of 2006”.*

22 (b) *PURPOSES.*—*The purpose of this section is to—*

23 (1) *establish a fund to provide funding for the*  
24 *management of geologic programs, geologic mapping,*  
25 *geophysical and other seismic studies, seismic moni-*

1        *toring programs, and the preservation and use of geo-*  
2        *logic and geophysical data, geothermal and*  
3        *geopressure energy resource management, unconven-*  
4        *tional energy resources management, and renewable*  
5        *energy management associated with ocean wave, cur-*  
6        *rent, and thermal resources;*

7            *(2) make available receipts derived from sales,*  
8        *bonus bids, royalties, and fees from onshore and off-*  
9        *shore gas, minerals, oil, and any additional form of*  
10       *energy exploration and development under the laws of*  
11       *the United States for the purposes of the such fund;*

12           *(3) distribute funds from such fund each fiscal*  
13       *year to the Secretary of the Interior and the States;*  
14       *and*

15           *(4) use the distributed funds to manage activities*  
16       *conducted under this section, and to secure the nec-*  
17       *essary trained workforce, contractual services, and*  
18       *other support, including maintenance and capital in-*  
19       *vestments, to perform the functions and activities de-*  
20       *scribed in paragraph (1).*

21       *(c) DEFINITIONS.—In this section:*

22           *(1) GEO FUND.—The term “Geo Fund” means*  
23       *the National Geo Fund established by subsection (d).*

24           *(2) STATE.—The term “State” means the agency*  
25       *of a State designated by its Governor or State law to*



1       *perform the functions and activities described in sub-*  
2       *section (b)(1).*

3       *(d) ESTABLISHMENT AND USE OF THE GEO FUND.—*

4           *(1) GEO FUND.—There is established in the*  
5       *Treasury a separate account to be known as the “Na-*  
6       *tional Geo Fund”.*

7           *(2) FUNDING.—The Secretary of the Treasury*  
8       *shall deposit in the Geo Fund—*

9                   *(A) such sums as are provided by sections*  
10           *9(b)(5)(A)(iv), 9(b)(5)(B)(iv), 9(c)(4)(A)(iv), and*  
11           *9(c)(4)(B)(iv) of the Outer Continental Shelf*  
12           *Lands Act, as amended by this Act;*

13                   *(B)(i) during the period of October 1, 2006,*  
14           *through September 30, 2015, one percent of all*  
15           *sums paid into the Treasury under section 35 of*  
16           *the Mineral Leasing Act (30 U.S.C. 191), and*

17                   *(ii) beginning October 1, 2015, and there-*  
18           *after, 2.5 percent of all sums paid into the*  
19           *Treasury under section 35 of the Mineral Leas-*  
20           *ing Act (30 U.S.C. 191);*

21                   *(C)(i) during the period of October 1, 2006,*  
22           *through September 30, 2015, one percent of all*  
23           *sums paid into the Treasury from receipts de-*  
24           *rived from bonus bids and royalties from other*  
25           *mineral leasing on public lands, and*



1           (ii) beginning October 1, 2015, and there-  
2           after, 2.5 percent of all sums paid into the  
3           Treasury from receipts derived from bonus bids  
4           and royalties from other mineral leasing on pub-  
5           lic lands; and

6           (D) \$65,000,000 from outer Continental  
7           Shelf bonus bids, royalties, and conservation of  
8           resources fees received in fiscal year 2007, and  
9           \$50,000,000 from outer Continental Shelf bonus  
10          bids, royalties, and conservation of resources fees  
11          received in each of fiscal years 2008, 2009, 2010,  
12          2011, 2012, and 2013, 75 percent of which shall  
13          be used to implement subsection (g) and all of  
14          which shall remain available until expended.

15          (3) INVESTMENTS.—The Secretary of the Treas-  
16          ury shall invest the amounts deposited under para-  
17          graph (2) and all accrued interest on the amounts de-  
18          posited under paragraph (2) only in interest bearing  
19          obligations of the United States or in obligations  
20          guaranteed as to both principal and interest by the  
21          United States.

22          (4) AVAILABILITY TO SECRETARY OF THE INTE-  
23          RIOR.—

24                (A) IN GENERAL.—Beginning with fiscal  
25          year 2007, and in each fiscal year thereafter,



1       *one-third of amounts deposited into the Geo*  
2       *Fund, unless otherwise specified herein, together*  
3       *with the interest thereon, shall be available,*  
4       *without fiscal year limitations, to the Secretary*  
5       *of the Interior for use for the purposes described*  
6       *in subsection (b)(4).*

7               *(B) WITHDRAWALS AND TRANSFER OF*  
8       *FUNDS.—The Secretary of the Treasury shall*  
9       *withdraw such amounts from the Geo Fund as*  
10       *the Secretary of the Interior may request, subject*  
11       *to the limitation in subparagraph (A), and*  
12       *transfer such amounts to the Secretary of the In-*  
13       *terior to be used, at the discretion of the Sec-*  
14       *retary of the Interior, by the Minerals Manage-*  
15       *ment Service, the Bureau of Land Management,*  
16       *and the United States Geological Survey for the*  
17       *purposes described in subsection (b)(4). No funds*  
18       *distributed from the Geo Fund may be used to*  
19       *purchase an interest in land.*

20       *(5) PAYMENT TO STATES.—*

21               *(A) IN GENERAL.—Beginning with fiscal*  
22       *year 2007, and in each fiscal year thereafter,*  
23       *two-thirds of amounts deposited into the Geo*  
24       *Fund, unless otherwise specified herein, together*  
25       *with the interest thereon, shall be available,*



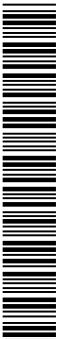
1           *without fiscal year limitations, to the States for*  
2           *use for the purposes described in subsection*  
3           *(b)(4).*

4                   *(B) WITHDRAWALS AND TRANSFER OF*  
5           *FUNDS.—Within the first 90 days of each fiscal*  
6           *year, the Secretary of the Treasury shall with-*  
7           *draw amounts from the Geo Fund and transfer*  
8           *such amounts to the States based on a formula*  
9           *devised by the Secretary of the Interior based on*  
10          *the relative needs of the States and the needs of*  
11          *the Nation.*

12                   *(C) USE OF PAYMENTS BY STATES.—Each*  
13          *State shall use the payments made under sub-*  
14          *paragraph (B) only for carrying out projects*  
15          *and programs for the purposes described in sub-*  
16          *section (b)(4). No funds distributed from the Geo*  
17          *Fund may be used to purchase an interest in*  
18          *land.*

19                   *(D) ENCOURAGEMENT OF USE OF PRIVATE*  
20          *FUNDS BY STATES.—Each State shall use the*  
21          *payments made under subparagraph (B) to le-*  
22          *verage private funds for carrying out projects for*  
23          *the purposes described in subsection (b)(4).*

24                   *(E) REPORT TO CONGRESS.—Beginning in*  
25          *fiscal year 2008 and continuing for each fiscal*



1           *year thereafter, the Secretary of the Interior and*  
2           *each State receiving funds from the Geo Fund*  
3           *shall submit a report to the Committee on En-*  
4           *ergy and Natural Resources of the Senate and*  
5           *the Committee on Resources of the House of Rep-*  
6           *resentatives. Reports submitted to the Congress*  
7           *by the Secretary of the Interior and the States*  
8           *shall include detailed information regarding ex-*  
9           *penditures during the previous fiscal year.*

10       *(e) STRATEGIC UNCONVENTIONAL RESOURCES.—*

11           *(1) PROGRAM.—The Secretary of the Interior*  
12           *shall establish a program for production of fuels from*  
13           *strategic unconventional resources, and production of*  
14           *oil and gas resources using CO2 enhanced recovery.*  
15           *The program shall focus initially on activities and*  
16           *domestic resources most likely to result in significant*  
17           *production in the near future, and shall include work*  
18           *necessary to improve extraction techniques, including*  
19           *surface and in situ operations. The program shall in-*  
20           *clude characterization and assessment of potential re-*  
21           *sources, a sampling program, appropriate laboratory*  
22           *and other analyses and testing, and assessment of*  
23           *methods for exploration and development of these*  
24           *strategic unconventional resources.*



1           (2) *PILOT PROJECTS.*—*The program created in*  
2           *paragraph (1) shall include, but not be limited to,*  
3           *pilot projects on (A) the Maverick Basin heavy oil*  
4           *and tar sands formations of Texas, including the San*  
5           *Miguel deposits, (B) the Greater Green River Basin*  
6           *heavy oil, oil shale, tar sands, and coal deposits of*  
7           *Colorado, Utah, and Wyoming, (C) the shale, tar*  
8           *sands, heavy oil, and coal deposits in the Alabama-*  
9           *Mississippi-Tennessee region, (D) the shale, tar sands,*  
10          *heavy oil, and coal deposits in the Ohio River valley,*  
11          *and (E) strategic unconventional resources in Cali-*  
12          *fornia. The Secretary shall identify and report to*  
13          *Congress on feasible incentives to foster recovery of*  
14          *unconventional fuels by private industry within the*  
15          *United States. Such incentives may include, but are*  
16          *not limited to, long-term contracts for the purchase of*  
17          *unconventional fuels for defense purposes, Federal*  
18          *grants and loan guarantees for necessary capital ex-*  
19          *penditures, and favorable terms for the leasing of*  
20          *Government lands containing unconventional re-*  
21          *sources.*

22           (3) *DEFINITIONS.*—*In this subsection:*

23                   (A) *STRATEGIC UNCONVENTIONAL RE-*  
24                   *SOURCES.*—*The term “strategic unconventional*  
25                   *resources” means hydrocarbon resources, includ-*

1            *ing heavy oil, oil shale, tar sands, and coal de-*  
2            *posits, from which liquid fuels may be produced.*

3            *(B) IN SITU EXTRACTION METHODS.—The*  
4            *term “in situ extraction methods” means recov-*  
5            *ery techniques that are applied to the resources*  
6            *while they are still in the ground, and are in*  
7            *commercial use or advanced stages of develop-*  
8            *ment. Such techniques include, but are not lim-*  
9            *ited to, steam flooding, steam-assisted gravity*  
10           *drainage (including combination with electric*  
11           *power generation where appropriate), cyclic*  
12           *steam stimulation, air injection, and chemical*  
13           *treatment.*

14           *(4) FUNDING.—The Secretary shall carry out the*  
15           *program for the production of strategic unconven-*  
16           *tional fuels with funds from the Geo Fund in each of*  
17           *fiscal years 2007 through 2011 in the amount of not*  
18           *less than \$35,000,000 each year. Each pilot project*  
19           *shall be allocated not less than \$4,000,000 per year in*  
20           *each of fiscal years 2007 through 2011.*

21           *(f) SUPPORT OF GEOTHERMAL AND GEOPRESSURE*  
22           *OIL AND GAS ENERGY PRODUCTION.—*

23           *(1) IN GENERAL.—The Secretary shall carry out*  
24           *a grant program in support of geothermal and*  
25           *geopressure oil and gas energy production. The pro-*



1        *gram shall include grants for a total of not less than*  
2        *three assessments of the use of innovative geothermal*  
3        *techniques such as organic rankine cycle systems at*  
4        *marginal, unproductive, and productive oil and gas*  
5        *wells, and not less than one assessment of the use of*  
6        *innovative geopressure techniques. The Secretary*  
7        *shall, to the extent practicable and in the public in-*  
8        *terest, make awards that—*

9                *(A) include not less than five oil or gas well*  
10              *sites per project award;*

11              *(B) use a range of oil or gas well hot water*  
12              *source temperatures from 150 degrees Fahrenheit*  
13              *to 300 degrees Fahrenheit;*

14              *(C) use existing or new oil or gas wells;*

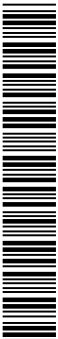
15              *(D) cover a range of sizes from 175 kilo-*  
16              *watts to one megawatt;*

17              *(E) are located at a range of sites including*  
18              *tribal lands, Federal lease, State, or privately*  
19              *owned sites;*

20              *(F) can be replicated at a wide range of*  
21              *sites;*

22              *(G) facilitate identification of optimum*  
23              *techniques among competing alternatives;*

24              *(H) include business commercialization*  
25              *plans that have the potential for production of*



1           *equipment at high volumes and operation and*  
2           *support at a large number of sites; and*

3                   *(I) satisfy other criteria that the Secretary*  
4           *determines are necessary to carry out the pro-*  
5           *gram.*

6           *The Secretary shall give preference to assessments that*  
7           *address multiple elements contained in subparagraphs*  
8           *(A) through (I).*

9           *(2) GRANT AWARDS.—*

10                   *(A) IN GENERAL.—Each grant award for*  
11           *assessment of innovative geothermal or*  
12           *geopressure technology such as organic rankine*  
13           *cycle systems at oil and gas wells made by the*  
14           *Secretary under this section shall include—*

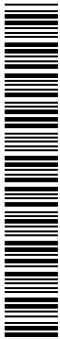
15                           *(i) necessary and appropriate site en-*  
16                           *gineering study;*

17                           *(ii) detailed economic assessment of*  
18                           *site specific conditions;*

19                           *(iii) appropriate feasibility studies to*  
20                           *determine ability for replication;*

21                           *(iv) design or adaptation of existing*  
22                           *technology for site specific circumstances or*  
23                           *conditions;*

24                           *(v) installation of equipment, service,*  
25                           *and support; and*



1                   (vi) monitoring for a minimum of one  
2                   year after commissioning date.

3           (3) *COMPETITIVE GRANT SELECTION.*—Not less  
4           than 180 days after the date of the enactment of this  
5           Act, the Secretary shall conduct a national solici-  
6           tation for applications for grants under the program.  
7           Grant recipients shall be selected on a competitive  
8           basis based on criteria in subsection (b).

9           (4) *FEDERAL SHARE.*—The Federal share of  
10          costs of grants under this subsection shall be provided  
11          from funds made available to carry out this section.  
12          The Federal share of the cost of a project carried out  
13          with such a grant shall not exceed 50 percent of such  
14          cost.

15          (5) *FUNDING.*—The Secretary shall carry out the  
16          grant program under this subsection with funds from  
17          the Geo Fund in each of fiscal years 2007 through  
18          2011 in the amount of not less than \$5,000,000 each  
19          fiscal year. No funds authorized under this section  
20          may be used for the purposes of drilling new wells.

21          (6) *AMENDMENT.*—Section 4 of the Geothermal  
22          Steam Act of 1970 (30 USC 1003) is amended by  
23          adding at the end the following:

24          “(h) *GEOHERMAL RESOURCES CO-PRODUCED WITH*  
25          *THE MINERALS.*—Any person who holds a lease or who op-



1 *erates a cooperative or unit plan under the Mineral Leasing*  
2 *Act, in the absence of an existing lease for geothermal re-*  
3 *sources under this Act, shall upon notice to the Secretary*  
4 *have the right to utilize any geothermal resources co-pro-*  
5 *duced with the minerals for which the lease was issued dur-*  
6 *ing the operation of that lease or cooperative or unit plan,*  
7 *for the generating of electricity to operate the lease. Any*  
8 *electricity that is produced in excess of that which is re-*  
9 *quired to operate the lease and that is sold for purposes*  
10 *outside of the boundary of the lease shall be subject to the*  
11 *requirements of section 5.”*

12 *(g) LIQUID FUELS GRANT PROGRAM.—*

13 *(1) PROGRAM.—The Secretary of the Interior*  
14 *shall establish a grant program for facilities for coal-*  
15 *to-liquids, petroleum coke-to-liquids, oil shale, tar*  
16 *sands, heavy oil, and Alaska natural gas-to-liquids*  
17 *and to assess the production of low-rank coal water*  
18 *fuel (in this subsection referred to as “LRCWF”).*

19 *(2) LRCWF.—The LRCWF grant project loca-*  
20 *tion shall use lignite coal from fields near the*  
21 *Tombigbee River within 60 miles of a land-grant col-*  
22 *lege and shall be allocated \$15,000,000 for expendi-*  
23 *ture during fiscal year 2007.*

24 *(3) DEFINITIONS.—In this subsection:*

1 (A) COAL-TO-LIQUIDS FRONT-END ENGI-  
2 NEERING AND DESIGN.—*The terms “coal-to-liq-*  
3 *uids front-end engineering and design” and*  
4 *“FEED” mean those expenditures necessary to*  
5 *engineer, design, and obtain permits for a facil-*  
6 *ity for a particular geographic location which*  
7 *will utilize a process or technique to produce liq-*  
8 *uid fuels from coal resources.*

9 (B) LOW-RANK COAL WATER FUEL.—*In this*  
10 *subsection the term “low-rank coal water fuel”*  
11 *means a liquid fuel produced from hydrothermal*  
12 *treatment of lignite and sub-bituminous coals.*

13 (4) GRANT PROVISIONS.—*All grants shall require*  
14 *a 50 percent non-Federal cost share. The first 4*  
15 *FEED grant recipients who receive full project con-*  
16 *struction financing commitments, based on earliest*  
17 *calendar date, shall not be required to repay any of*  
18 *their grants. The next 4 FEED grant recipients who*  
19 *receive such commitments shall be required to repay*  
20 *25 percent of the grant. The next 4 FEED grant re-*  
21 *cipients who receive such commitments shall be re-*  
22 *quired to repay 50 percent of the grant, and the re-*  
23 *maining FEED grant recipients shall be required to*  
24 *repay 75 percent of the grant. The LRCWF recipient*  
25 *shall not be required to repay the grant. Any required*



1        *repayment shall be paid as part of the closing process*  
2        *for any construction financing relating to the grant.*  
3        *No repayment shall require the payment of interest if*  
4        *repaid within 5 years of the issuance of the grant.*  
5        *FEED grants shall be limited to a maximum of*  
6        *\$1,000,000 per 1,000 barrels per day of liquid fuels*  
7        *production capacity, not to exceed \$25 million per*  
8        *year.*

9                *(5) FUNDING.—The Secretary shall carry out the*  
10        *grant program established by this subsection with*  
11        *funds from the Geo Fund.*

12        *(h) RENEWABLE ENERGY FROM OCEAN WAVE, CUR-*  
13        *RENT, AND THERMAL RESOURCES.—*

14                *(1) PROGRAM.—The Secretary of the Interior*  
15        *shall establish a grant program for the production of*  
16        *renewable energy from ocean waves, currents, and*  
17        *thermal resources.*

18                *(2) GRANT PROVISIONS.—All grants under this*  
19        *subsection shall require a 50 percent non-Federal cost*  
20        *share.*

21                *(3) FUNDING.—The Secretary shall carry out*  
22        *this grant program with funds from the Geo Fund in*  
23        *each of fiscal years 2007 through 2011 in the amount*  
24        *of not less than \$6,000,000 each year, and thereafter*





1       *in such amounts as the Secretary may find appro-*  
2       *priate.*

3       *(i) AMENDMENT TO THE SURFACE MINING CONTROL*  
4       *AND RECLAMATION ACT OF 1977.—Section 517 of the Sur-*  
5       *face Mining Control and Reclamation Act of 1977 (30*  
6       *U.S.C. 1267) is amended by adding adding at the end the*  
7       *following:*

8       *“(i) Any person who provides the regulatory authority*  
9       *with a map under subsection (b)(1) shall not be liable to*  
10      *any other person in any way for the accuracy or complete-*  
11      *ness of any such map which was not prepared and certified*  
12      *by or on behalf of such person.”.*

13      **SEC. 27. LEASES FOR AREAS LOCATED WITHIN 100 MILES OF**  
14                   **CALIFORNIA OR FLORIDA.**

15      *(a) AUTHORIZATION TO CANCEL AND EXCHANGE CER-*  
16      *TAIN EXISTING OIL AND GAS LEASES; PROHIBITION ON*  
17      *SUBMITTAL OF EXPLORATION PLANS FOR CERTAIN LEASES*  
18      *PRIOR TO JUNE 30, 2010.—*

19           *(1) AUTHORITY.—Within 2 years after the date*  
20      *of enactment of this Act, the lessee of an existing oil*  
21      *and gas lease for an area located completely within*  
22      *100 miles of the coastline within the California or*  
23      *Florida Adjacent Zones shall have the option, without*  
24      *compensation, of exchanging such lease for a new oil*  
25      *and gas lease having a primary term of 5 years. For*



1        *the area subject to the new lease, the lessee may select*  
2        *any unleased tract on the outer Continental Shelf that*  
3        *is in an area available for leasing. Further, with the*  
4        *permission of the relevant Governor, such a lessee*  
5        *may convert its existing oil and gas lease into a nat-*  
6        *ural gas lease having a primary term of 5 years and*  
7        *covering the same area as the existing lease or an-*  
8        *other area within the same State's Adjacent Zone*  
9        *within 100 miles of the coastline.*

10            (2) *ADMINISTRATIVE PROCESS.—The Secretary*  
11        *of the Interior shall establish a reasonable adminis-*  
12        *trative process to implement paragraph (1). Ex-*  
13        *changes and conversions under subsection (a), includ-*  
14        *ing the issuance of new leases, shall not be considered*  
15        *to be major Federal actions for purposes of the Na-*  
16        *tional Environmental Policy Act of 1969 (42 U.S.C.*  
17        *4321 et seq.). Further, such actions conducted in ac-*  
18        *cordance with this section are deemed to be in compli-*  
19        *ance all provisions of the Outer Continental Shelf*  
20        *Lands Act (43 U.S.C. 1331 et seq.).*

21            (3) *OPERATING RESTRICTIONS.—A new lease*  
22        *issued in exchange for an existing lease under this*  
23        *section shall be subject to such national defense oper-*  
24        *ating stipulations on the OCS tract covered by the*  
25        *new lease as may be applicable upon issuance.*

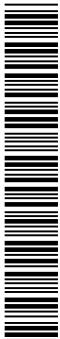


1           (4) *PRIORITY.*—*The Secretary shall give priority*  
2           *in the lease exchange process based on the amount of*  
3           *the original bonus bid paid for the issuance of each*  
4           *lease to be exchanged. The Secretary shall allow leases*  
5           *covering partial tracts to be exchanged for leases cov-*  
6           *ering full tracts conditioned upon payment of addi-*  
7           *tional bonus bids on a per-acre basis as determined*  
8           *by the average per acre of the original bonus bid per*  
9           *acre for the partial tract being exchanged.*

10          (5) *EXPLORATION PLANS.*—*Any exploration plan*  
11          *submitted to the Secretary of the Interior after the*  
12          *date of the enactment of this Act and before July 1,*  
13          *2010, for an oil and gas lease for an area wholly*  
14          *within 100 miles of the coastline within the Cali-*  
15          *fornia Adjacent Zone or Florida Adjacent Zone shall*  
16          *not be treated as received by the Secretary until the*  
17          *earlier of July 1, 2010, or the date on which a peti-*  
18          *tion by the Adjacent State for oil and gas leasing cov-*  
19          *ering the area within which is located the area subject*  
20          *to the oil and gas lease was approved.*

21          (b) *FURTHER LEASE CANCELLATION AND EXCHANGE*  
22          *PROVISIONS.*—

23               (1) *CANCELLATION OF LEASE.*—*As part of the*  
24               *lease exchange process under this section, the Sec-*



1        *retary shall cancel a lease that is exchanged under*  
2        *this section.*

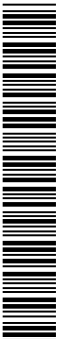
3            (2) *CONSENT OF LESSEES.—All lessees holding*  
4        *an interest in a lease must consent to cancellation of*  
5        *their leasehold interests in order for the lease to be*  
6        *cancelled and exchanged under this section.*

7            (3) *WAIVER OF RIGHTS.—As a prerequisite to*  
8        *the exchange of a lease under this section, the lessee*  
9        *must waive any rights to bring any litigation against*  
10       *the United States related to the transaction.*

11           (4) *PLUGGING AND ABANDONMENT.—The plug-*  
12       *ging and abandonment requirements for any wells lo-*  
13       *cated on any lease to be cancelled and exchanged*  
14       *under this section must be complied with by the les-*  
15       *sees prior to the cancellation and exchange.*

16        (c) *AREA PARTIALLY WITHIN 100 MILES OF FLOR-*  
17       *IDA.—An existing oil and gas lease for an area located par-*  
18       *tially within 100 miles of the coastline within the Florida*  
19       *n Adjacent Zone may only be developed and produced using*  
20       *wells drilled from well-head locations at least 100 miles*  
21       *from the coastline to any bottom-hole location on the area*  
22       *of the lease. This subsection shall not apply if Florida has*  
23       *petitioned for leasing closer to the coastline than 100 miles.*

24           (d) *EXISTING OIL AND GAS LEASE DEFINED.—In this*  
25       *section the term “existing oil and gas lease” means an oil*



1 *and gas lease in effect on the date of the enactment of this*  
2 *Act.*

3 **SEC. 28. COASTAL IMPACT ASSISTANCE.**

4 *Section 31 of the Outer Continental Shelf Lands Act*  
5 *(43 U.S.C. 1356a) is repealed.*

6 **SEC. 29. OIL SHALE AND TAR SANDS AMENDMENTS.**

7 *(a) REPEAL OF REQUIREMENT TO ESTABLISH PAY-*  
8 *MENTS.—Section 369(o) of the Energy Policy Act of 2005*  
9 *(Public Law 109–58; 119 Stat. 728; 42 U.S.C. 15927) is*  
10 *repealed.*

11 *(b) TREATMENT OF REVENUES.—Section 21 of the*  
12 *Mineral Leasing Act (30 U.S.C. 241) is amended by adding*  
13 *at the end the following:*

14 *“(e) REVENUES.—*

15 *“(1) IN GENERAL.—Notwithstanding the provi-*  
16 *sions of section 35, all revenues received from and*  
17 *under an oil shale or tar sands lease shall be disposed*  
18 *of as provided in this subsection.*

19 *“(2) ROYALTY RATES FOR COMMERCIAL*  
20 *LEASES.—*

21 *“(A) ROYALTY RATES.—The Secretary shall*  
22 *model the royalty schedule for oil shale and tar*  
23 *sands leases based on the royalty program cur-*  
24 *rently in effect for the production of synthetic*

1       *crude oil from oil sands in the Province of Al-*  
2       *berta, Canada.*

3               “(B) *REDUCTION.*—*The Secretary shall re-*  
4       *duce any royalty otherwise required to be paid*  
5       *under subparagraph (A) under any oil shale or*  
6       *tar sands lease on a sliding scale based upon*  
7       *market price, with a 10 percent reduction if the*  
8       *average futures price of NYMEX Light Sweet*  
9       *Crude, or a similar index, drops, for the previous*  
10       *quarter year, below \$50 (in January 1, 2006,*  
11       *dollars), and an 80 percent reduction if the aver-*  
12       *age price drops below \$30 (in January 1, 2006,*  
13       *dollars) for the quarter previous to the one in*  
14       *which the production is sold.*

15               “(3) *DISPOSITION OF REVENUES.*—

16               “(A) *DEPOSIT.*—*The Secretary shall deposit*  
17       *into a separate account in the Treasury all reve-*  
18       *nues derived from any oil shale or tar sands*  
19       *lease.*

20               “(B) *ALLOCATIONS TO STATES AND LOCAL*  
21       *POLITICAL SUBDIVISIONS.*—*The Secretary shall*  
22       *allocate 50 percent of the revenues deposited into*  
23       *the account established under subparagraph (A)*  
24       *to the State within the boundaries of which the*  
25       *leased lands are located, with a portion of that*



1           *to be paid directly by the Secretary to the State's*  
2           *local political subdivisions as provided in this*  
3           *paragraph.*

4           “(C) *TRANSMISSION OF ALLOCATIONS.*—

5                 “(i) *IN GENERAL.*—*Not later than the*  
6                 *last business day of the month after the*  
7                 *month in which the revenues were received,*  
8                 *the Secretary shall transmit—*

9                         “(I) *to each State two-thirds of*  
10                        *such State's allocations under subpara-*  
11                        *graph (B), and in accordance with*  
12                        *clauses (ii) and (iii) to certain county-*  
13                        *equivalent and municipal political*  
14                        *subdivisions of such State a total of*  
15                        *one-third of such State's allocations*  
16                        *under subparagraph (B), together with*  
17                        *all accrued interest thereon; and*

18                       “(II) *the remaining balance of*  
19                        *such revenues deposited into the ac-*  
20                        *count that are not allocated under sub-*  
21                        *paragraph (B), together with interest*  
22                        *thereon, shall be transmitted to the*  
23                        *miscellaneous receipts account of the*  
24                        *Treasury, except that until a lease has*  
25                        *been in production for 20 years 50 per-*



1                   *cent of such remaining balance derived*  
2                   *from a lease shall be paid in accord-*  
3                   *ance with subclause (I).*

4                   “(ii) *ALLOCATIONS TO CERTAIN COUN-*  
5                   *TY-EQUIVALENT POLITICAL SUBDIVISIONS.—*  
6                   *The Secretary shall under clause (i)(I)*  
7                   *make equitable allocations of the revenues to*  
8                   *county-equivalent political subdivisions that*  
9                   *the Secretary determines are closely associ-*  
10                  *ated with the leasing and production of oil*  
11                  *shale and tar sands, under a formula that*  
12                  *the Secretary shall determine by regulation.*

13                  “(iii) *ALLOCATIONS TO MUNICIPAL PO-*  
14                  *LITICAL SUBDIVISIONS.—The initial alloca-*  
15                  *tion to each county-equivalent political sub-*  
16                  *division under clause (ii) shall be further*  
17                  *allocated to the county-equivalent political*  
18                  *subdivision and any municipal political*  
19                  *subdivisions located partially or wholly*  
20                  *within the boundaries of the county-equiva-*  
21                  *lent political subdivision on an equitable*  
22                  *basis under a formula that the Secretary*  
23                  *shall determine by regulation.*

24                  “(D) *INVESTMENT OF DEPOSITS.—The de-*  
25                  *posits in the Treasury account established under*





1        *this section shall be invested by the Secretary of*  
2        *the Treasury in securities backed by the full faith*  
3        *and credit of the United States having matu-*  
4        *rities suitable to the needs of the account and*  
5        *yielding the highest reasonably available interest*  
6        *rates as determined by the Secretary of the*  
7        *Treasury.*

8                *“(E) USE OF FUNDS.—A recipient of funds*  
9        *under this subsection may use the funds for any*  
10       *lawful purpose as determined by State law.*  
11       *Funds allocated under this subsection to States*  
12       *and local political subdivisions may be used as*  
13       *matching funds for other Federal programs with-*  
14       *out limitation. Funds allocated to local political*  
15       *subdivisions under this subsection may not be*  
16       *used in calculation of payments to such local po-*  
17       *litical subdivisions under programs for payments*  
18       *in lieu of taxes or other similar programs.*

19                *“(F) NO ACCOUNTING REQUIRED.—No re-*  
20       *ipient of funds under this subsection shall be re-*  
21       *quired to account to the Federal Government for*  
22       *the expenditure of such funds, except as otherwise*  
23       *may be required by law.*

24                *“(4) DEFINITIONS.—In this subsection:*

1           “(A) *COUNTY-EQUIVALENT POLITICAL SUB-*  
2           *DIVISION.—The term ‘county-equivalent political*  
3           *subdivision’ means a political jurisdiction imme-*  
4           *diately below the level of State government, in-*  
5           *cluding a county, parish, borough in Alaska,*  
6           *independent municipality not part of a county,*  
7           *parish, or borough in Alaska, or other equivalent*  
8           *subdivision of a State.*

9           “(B) *MUNICIPAL POLITICAL SUBDIVISION.—*  
10          *The term ‘municipal political subdivision’ means*  
11          *a municipality located within and part of a*  
12          *county, parish, borough in Alaska, or other*  
13          *equivalent subdivision of a State.’.*

14   **SEC. 30. AVAILABILITY OF OCS RECEIPTS TO PROVIDE PAY-**  
15                   **MENTS UNDER SECURE RURAL SCHOOLS AND**  
16                   **COMMUNITY SELF-DETERMINATION ACT OF**  
17                   **2000.**

18          *Section 9 of the Outer Continental Shelf Lands Act*  
19          *(43 U.S.C. 1338) is amended by inserting after subsection*  
20          *(i), as added by section 7 of this Act, the following new*  
21          *subsection:*

22          “(j) *AVAILABILITY OF FUNDS FOR PAYMENTS UNDER*  
23          *SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETER-*  
24          *MINATION ACT OF 2000.—Notwithstanding any other provi-*  
25          *sion of this section, \$50,000,000 of OCS Receipts shall be*

1 *available to the Secretary of the Treasury for each of fiscal*  
2 *years 2007 through 2012 to make payments under sections*  
3 *102 and 103 of the Secure Rural Schools and Community*  
4 *Self-Determination Act of 2000 (Public Law 106–393; 16*  
5 *U.S.C. 500 note). The Secretary of the Treasury shall use*  
6 *the funds made available by this subsection to make such*  
7 *payments in lieu of using funds in the Treasury not other-*  
8 *wise appropriated, as otherwise authorized by sections*  
9 *102(b)(3) and 103(b)(2) of such Act.”.*



Union Calendar No.

109<sup>TH</sup> CONGRESS  
2D Session

**H. R. 4761**

[Report No. 109-]

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## A BILL

To provide for exploration, development, and production activities for mineral resources on the outer Continental Shelf, and for other purposes.

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